

Fears of intervention in Poland eased by Brezhnev speech

President Brezhnev of the Soviet Union took some of the tension out of the Polish crisis yesterday by reaffirming Moscow's belief that the party leadership in Poland could overcome its problems.

Optimism in Poland was increased by the ending of the Warsaw Pact manoeuvres. Mr Walesa, the Solidarity leader, said in an interview in "France-Soir" that he does not expect Soviet intervention.

Warsaw Pact exercises end

From Dessau, April 7

Tension building up over Poland eased today when President Brezhnev, the Soviet leader, allayed fears of an imminent Warsaw Pact invasion in his speech here to the Czechoslovak Communist Party congress.

At the same time, he left no doubt that, although the Soviet Union still believes the Polish leadership will be able to "oppose the designs of enemies of socialism", it is more guarded than several weeks ago.

Dr Gustav Husak, the Czechoslovak party leader, took a more ominous line yesterday by reminding the Poles that, although each country is responsible for its own affairs, there are certain matters which are the concern of all socialist states.

Mr Brezhnev was more restrained than that. But a significant difference between the Russian and English language versions of his speech suggests that what he actually said was that the Russians will be able to check anti-socialist assaults.

However, this does not change the essential point Mr Brezhnev intended to make—namely, he expects more confidence to be shown in the Polish leadership's capacity to put its house in order than was expressed in the Soviet media over the past week, or than was shown by Dr Husak, who heavily emphasized the growing uneasiness felt in Prague.

It was left to Mr Stefan Jozefowski, the Polish Politburo member, whose hard-line approach came under fierce attack at the Central Committee meeting in Warsaw this month, to explain to the congress here the attitude of the Polish leadership.

"The Polish crisis 'brings dangers' for the socialist state," he said, and this was being

abused by the enemies of socialism whose activities represent a threat and "undermine Poland's stability". He assured the congress that the Polish leadership was grappling with the difficulties in a "clear road" without "distortions and deformations" and, in doing so, it was forging a citizens' front of "reason and patriotism".

He added that nobody would ever succeed in "splitting Poland away from socialism and the party would 'find enough power' to end the crisis."

Mr Olszowski is obviously the man Moscow trusts more than some of the reformists in the Polish leadership. The fact that he was chosen to attend the Prague congress is in itself significant.

During the stormy session of the Polish Central Committee, he was one of three Politburo members who offered to resign. But he was kept in his post because his departure would have given Moscow still more evidence that the leadership was entirely taken over by liberal reformers.

Mr Brezhnev went out of his way today to emphasise the need to tighten the ranks of the countries in the Warsaw Pact. Closer cooperation, he said, was necessary in all spheres and pooling of resources was in the interest of every country, as well as of the community as a whole.

He said this in a situation which, in his view, was characterized by attempts by the enemies of socialism to fragment the socialist community from within, using economic pressure and blackmail and instigating subversive activity.

He singled out the Czechoslovak party to demonstrate how successfully such dangers could be overcome with the help of the socialist community. Similar attempts, he said, were

being undertaken in relation to Poland.

Walesa optimism: Mr Lech Walesa, leader of Solidarity, the Polish free trade union federation, said in an interview published in "France-Soir" yesterday that he still does not believe the Soviet Union will intervene in Poland (UPI reports from Paris).

"I have said 15 times that I do not believe in any intervention," he told the Warsaw correspondent of the Paris newspaper.

He also said the situation in Poland was "better, much better, since General Jaruzelski has been Prime Minister."

Manoeuvres end: The Warsaw Pact manoeuvres carried out since March 17 in Poland, Czechoslovakia, East Germany and the Soviet Union ended today, the official Polish news agency PAP announced (UPI and Reuters report from Warsaw).

It said: "The objectives set for the exercise have been attained. The staffs and troops participating in the operations are returning home."

Although Soyuz-81 was principally a command post exercise, with comparatively small numbers of troops involved, Western governments viewed it with suspicion as a method of increasing the readiness of Warsaw Pact forces for a possible military intervention in Poland.

United States concern: The United States is still seriously concerned about Soviet military activity in and around Poland and by the threatening attitude of the East European countries (Reuters reports from Washington).

Mr William Dyess, the State Department spokesman, said that Mr Brezhnev's remarks did not present a clear picture of Soviet intentions.

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Unpublished Home Office study begun in 1973 backs call for investigation reforms Defects disclosed in inquiries on police assault claims

By Peter Evans
Home Affairs Correspondent

Serious defects in the system of investigating complaints of assault by police are disclosed in a still unpublished report by the Home Office Research Unit.

Based on studies of Metropolitan Police complaints dossiers, the report supports a call by the Police Complaints Board for reform in the system.

Three bodies are principally involved in the controversy over the handling of complaints against police: the Police Complaints Board, which in its triennial review called for reforms; a Home Office working party, which was appointed by Mr William Whitelaw, the Home Secretary, to consider how the recommendation of the board for an independent element in the investigation of serious complaints against the police might be implemented; and the Home Office Research Unit.

The unpublished report says there is a tendency to explain injuries as self-inflicted and officers that accounts by police officers or surgeons of alleged assault are sometimes implausible. It finds that in a significant minority of cases investigations are not as thorough as might have been expected.

In about a fifth of cases from the sample of dossiers examined, some or all independent eye-witnesses who were actually named, or should have been named, were not called to give statements, the report says. "No record is given of whether attempts had been made to trace them."

The Home Office could not say yesterday when the report would be published, stating that it "had a fairly long time scale". The study which led to it began in 1973.

Yet Mr Whitelaw told the House of Commons on March 18, in answer to a parliament-

ary question, that he would welcome comments on another report then published, on the Establishment of an Independent Element in the Investigation of Complaints against the Police.

The Home Office working party, which produced that report, does not mention the one by the research unit or disclose any knowledge of it. Mr Whitelaw is now considering what changes, if any, might be necessary in the present system.

The working party, which consisted mainly of police officers, rejected a proposal by the complaints board that complaints of serious injury should be investigated by a special task force of officers seconded from police forces but answerable to someone other than a police officer.

Although the board was satisfied that in general the investi-

gation system was thorough and satisfactory, a "body of opinion" did not share its confidence. Unexplained injury sustained during arrest, or while in police custody, was a focus of discontent.

But the working party which was chaired by Lord Plowden and included Sir Thomas Hetherington, QC, the Director of Public Prosecutions, as a member, said that where necessary, the chairman of the complaints board (Sir Cyril Phillips) or the DPP should supervise the investigation of complaints against police of serious assault.

Sir Robert Mark, former Metropolitan Police Commissioner, wrote in "The Times" on March 31: "The real difficulty for the public in considering the recommendations is that they are offered as evidence at all of the need for change."

The complaints board, how-

ever, is not able to cite the evidence provided by the research unit in support of change, because it has not been published.

Mr Whitelaw said on March 18: "It is in my view important that all concerned should have in mind the need to maintain public confidence in the complaints system, as an important aspect of the relations between the police and the public and the role it can play in striking the balance between the powers of the police and the rights of the individual."

The report while finding no evidence of racial bias in the investigation procedure, comments: "The effectiveness of the formal system for making complaints against the police has become, for many, the touchstone of the state of police-community relations, not least for relations with the black and Asian communities."

Report details, page 4



£500m rival bid for Royal Bank of Scotland

By Our Financial Staff

Hongkong and Shanghai Banking Corporation has made the biggest bid in British financial history with its £498m offer for Royal Bank of Scotland, the oldest bank in the world.

The bid, announced by the Standard Chartered Group, is £180m.

Royal Bank's shares rose by 2 1/2% to 165p yesterday on rumours that a counter bid was on its way.

The bid, however, Royal Bank and Hongkong and Shanghai would bring the combined bank into the world's top 20. The bid coincides with the recent visit of Lord Barber, the Foreign Secretary, to Hong Kong and the big power station contract awarded to CEC.

Mr Michael Sandberg, Hongkong's chairman, said last night that it wanted to keep Royal Bank's Scottish-based independence and, as it became the Hongkong Bank's flagship in Europe.

Standard Chartered, headed by Lord Barber, the former Tory Chancellor, was hoping to create the third largest banking empire in Britain which would have been bigger than Lloyds and the Midland Bank and on a par with National Westminster and Barclays.

The Standard Chartered takeover required approval from the Royal Bank board. But late last night, Royal Bank, which includes the London clearing bank Williams & Glyn's, had not responded to the counter bid.

Battle royal, page 19

Foot-and-mouth in Wales feared

An order restricting the movement of animals within a five-mile radius of a farm at Tregynon, Powys, Wales, was imposed yesterday after a suspected outbreak of foot-and-mouth disease among sheep. The Ministry of Agriculture said there had been 198 to the "Animal Virus Research Institute at Pirbright, Surrey."

Tax disruption forces borrowing to rise

By David Felton

Sir Geoffrey Howe, Chancellor of the Exchequer, told the Commons last night that estimates for the central government borrowing requirement will be exceeded by up to £500m because of the action by Civil Service unions which is disrupting the collection of tax payments.

In a written answer, the Chancellor indicated that the increase in tax receipts during March was between £750m and £1,000m. The Treasury said the borrowing requirement would have been exceeded by a similar amount had it not been offset by underspending in other areas of public expenditure.

Sir Geoffrey said government borrowing in the year 1980-81 was likely to be less than £500m higher than the estimate of £12,760m published after last month's Budget. The Treasury said the borrowing requirement would have been exceeded by a similar amount had it not been offset by underspending in other areas of public expenditure.

Estimates of the likely increase range between £300m and £500m. The Council of Civil Service Unions, which is organ-

izing the programme of industrial action now in its fifth week, agreed with the Chancellor's figures on the shortfalls in tax receipts, but said that he had not taken into account non-payment to the Government of national insurance contributions, which it estimates amounts to a further £300m.

The Chancellor said that more than three quarters of expected tax receipts were still getting through to the Government, but the unions say they are halting 40 per cent of the Government's total income.

The unions said the Government's Budget strategy of taking money out of the economy was being reversed by their action.

The strikes at the VAT computer centre at Southend-on-Sea and the PAYE tax computers at Shipway, near Bradford, and Comberton, near Glasgow, meant that local tax offices no longer had clear records of tax payments. The statement said that meant the offices could not pursue traders or employers who were defaulting. Submarine work blocked, page 2

Ulster killing of census collector

From a Staff Reporter
Belfast

A woman census collector was shot dead in a close range by a lone masked gunman in a predominantly Roman Catholic part of the Waterside district of Londonderry last night.

She was standing on a doorstep in Anderson Crescent when the gunman came up the pathway and snatched a bundle of census forms before firing the shot. Police said that a number of reports of census forms being seized from collectors, sometimes at gunpoint, in the Londonderry area, on Monday evening were being investigated.

A police statement said: "This is a calculated, cold-blooded murder of a young mother out performing a public duty, designed to help the people of the area."

Provisional plan: Last month Provisional Sinn Fein, the political wing of the Provisional IRA, announced plans to disrupt the census in an attempt to force the Government to make a ceasefire. (The Press Association reports).

Commons sketch Speaker's sober cheer for MPs

By Hugh Noyes
Parliamentary Correspondent
Westminster

Whatever Lord Avebury may say, drunkenness, like death, can never happen within the precincts of the Palace of Westminster.

That was officially confirmed yesterday by no less an authority on parliamentary procedure and practice than Mr George Thomas, the Speaker of the House of Commons. In an awe-inspiring statement from the Chair, Mr Thomas told cheering MPs: "All my predecessors have ruled that no honourable or right honourable member of this House is ever too much under the influence of drink."

So there we have it. However paralytic or comatose your honourable, gallant, or even learned member may appear on the surface, beneath that receptive veneer his mental faculties are as acute as ever.

The ruling appeared to have come as a bit of a surprise to some of the younger MPs who are still getting no grip of the fact that they cannot die on the premises. That, it is believed, would cause so many problems for the corner who would have to operate within the rules laid down for drinking within royal palaces that, it is

claimed, no pulse is ever officially tested until the recumbent form has been safely dragged into the street.

Now that drunkenness in parliamentary terms has been put on all fours with death, MPs can once again breathe freely.

Lord Avebury, best known for his famous victory at Orpington on behalf of the Liberals and for his battles in support of the gypsies, set the Palace of Westminster trembling with indignation on Monday when he called for a ban on all-night drinking in the Houses of Parliament, suggesting that some MPs might at times and on slightly the worse for wear and with their intellectual capacity and judgment impaired.

Lord Avebury, a teetotaler, was speaking at a conference in Liverpool on alcohol.

Mr Arthur Lewis, Labour MP for Newham, North-West, whose intellectual capacity and judgment should never be questioned and who probably has as many lost causes to his credit as Lord Avebury, leapt fearlessly into the breach with a point of order at the end of the Prime Minister's question time.

Bursting with righteous indignation, Mr Lewis told the Speaker that he was raising this matter at the earliest opportunity open to him. He appealed to Mr Thomas as "a life-long abstainer" to rebut this "slighting and wounding attack on the sobriety of MPs."

Mr Lewis, who admitted that he was not among the teetotalers in the House, was addressed at the deep end of the pool by those MPs accustomed to nothing stronger than orange juice, at the assertions of almost perpetual drunkenness.

He and Mr Speaker knew, of course, that there were a few members who did occasionally partake of drink (loud shouts of agreement from the Tory benches); but never was anyone drunk.

That, said Mr Lewis, was against the rules. "Hear, hear," yelled the whole House, united for one glorious moment.

Mr Speaker nodded amiably at the thought of anyone breaking the rules in his presence.

Opinions were often given in less rarified circles around the country which were not to the liking of MPs. It was a delicate matter, and he rather hoped that Mr Lewis would not raise it as a matter of privilege.

Thankfully, Mr Lewis was happy to accept the Speaker's verdict on the sobriety of politicians and that they could never be too much under the influence.

Parliamentary report, page 9

Miss Susan Swythland, the student teacher who was kidnapped by a man from the San Francisco area, was rescued yesterday.

Moones, or Unification Church, recruited yesterday with her parents at their poultry farm at Egbert, near Ashford, Kent. She flew home after they had approached a rescue group to kidnap her. In London, the Charity Commission, after a meeting with six MPs, announced that it would reconsider its decision to allow the church to remain a registered charity.

[Report, page 2]

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Is that
the Moonie or
B1995?

Is that the Moonie or B1995? A cartoon illustration showing a person looking at a car with the license plate B1995. The person is saying "Is that the Moonie or B1995?"

Biggs extradition decision put off for day

Bridgetown, April 7.—Mr Frank King, the Barbados Chief Magistrate, postponed until tomorrow a decision on the extradition of Ronald Biggs, the great train robber, after the defence had argued that the extradition agreement with Britain was invalid.

A defence lawyer said he had learnt that the extradition agreement had never been formally approved.

He asked for the adjournment so that an official of the House of Assembly could verify this.—UPI.

Britain rebukes Russia at security talks

Britain has used blunt terms to condemn the Soviet Union's stalling tactics at the European Security Review Conference in Madrid. The British delegate at the talks said: "We are not prepared to see this meeting carry on endlessly without any sign of substantial change or better Soviet behaviour." The talks will be adjourned on Friday and are due to be resumed on May 5.

Governor guilty

Mr Colin Honey, Governor of Albany Prison, on the Isle of Wight, was guilty of contempt of court in stopping a prisoner's complaint about him being sent to the High Court, the Divisional Court held. His conduct was calculated to prejudice the requirement that all citizens should have access to the courts. Law Report, page 17

Space launch snags

Snags continued to crop up in the countdown to the launch of the United States space shuttle Columbia, though officials still assert that the craft can be fired into space on Friday morning as scheduled. However, even if the countdown is completed on schedule, weather conditions could still delay the launching. Page 7

The good and the bad in Whitehall

After the paper criticizing Whitehall's failure to maintain an adequate standard of good housekeeping in its activities or an acceptable stewardship of about £50,000m of public money a year, it can be seen that sound and incompetent internal audit practices co-exist in Whitehall. Page 3

Plot inquiry refused

Mrs Margaret Thatcher has refused a public inquiry into allegations of a plot in 1968 to overthrow the Wilson Government. She said she had seen nothing "to suggest that there was anything that came even remotely near to being a serious conspiracy to undermine or overthrow parliamentary democracy." Page 2

Red Brigades rift

Red Brigades terrorists admitted responsibility for the murder of a waiter in Rome. It was the first attack since the arrest of Signor Mario Moretti, one of the alleged leaders of the organization. His capture is linked to a rift in terrorist ranks. Page 7

Demonstrators force delay on Coin St site

Demonstrators forced the postponement of a public inquiry into the plan to redevelop the Coin Street site on the south bank in central London. They twice made Mr Victor Radmore, the inspector, leave the platform at County Hall. He will try to start the proceedings tomorrow. Page 4

SDP split on Liberals

Social Democrat MPs and members of the party's steering committee decided against forming a joint negotiating committee with the Liberals as early as next week. Although the four SDP leaders had favoured the move, MPs were unwilling to be rushed. Page 2

Tough Husain line

Mr Alexander Haig, the American Secretary of State, encountered the toughest talking of his Middle East tour when he met King Hussein. The King dashed any lingering hopes that Jordan might be brought closer to the Egyptian-Israeli peace process. Page 6

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Letters: On the economy, from Professor Harry Townsend and others; religious charities, from Mr Nicholas Walter and Mr G. P. Monaghan.
Leading articles: President Brezhnev and Poland; Lebanon; Book of Common Prayer.
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Patrick Clough makes it clear Helmut Schmidt can hold on until 1984; Alan Hamilton's London diary; Nicholas Times on a special kind of Olympic.
Sport, pages 10, 11
Football: Liverpool and Ipswich have injury problems; before European ties Manchester United have 20 opponents in London; Crickers; Goon in fine form for England.
Arts, page 12
Sheridan Morley introduces the first professional British revival of Coward's massive Comedies, at Farnham tonight.
Obituary, page 17
Professor William G. S. Sir Stanley Fordham.
Business News, pages 18-20
Stock Markets: Equities continued to drift as worries over Poland brought more profit taking. City showed losses up to 2 1/2% in the wake of the latest banking figures and the FT index fell 7.7 to 525.5.
Financial Editor: A setback for the prime minister's revival of Coward's massive Comedies, at Farnham tonight.
Business feature: Peter the impact on the changes that have taken place at Govan shipyard over the past 10 years; Peter Wainwright on the Chancellor's proposed development fund tax changes; Ross Davies's Business Diary.

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MPs fail to resolve a conflict of evidence in BSC privilege case

George Clark, Political Correspondent

Because of a conflict of evidence, the House of Commons Privileges Committee was unable to decide today whether Mr Ian Campbell-Savours, chairman of the British Steel Corporation, had admitted a breach of privilege in a conversation with Mr Dale Campbell-Savours, Labour MP for Workington, in December.

The MP had alleged that Mr Campbell-Savours had threatened to end her investment by the corporation at Workington if he failed to make speeches in favour of the kind he had made in a debate on the steel industry on December 16.

It was that he drew attention to the fact that statistics had been "doctored" with a view to the closure of the industry at Workington, and threatened on what he regarded as deficiencies in the managerial structure of the corporation.

Although the committee did not resolve the conflict of evidence, it said in its report, published yesterday: "It is of the utmost importance that the House should be able to decide whether or not there was without fear of the consequences, while at the same time recognizing their responsibility for the substance of it they say."

We are not satisfied that a conflict of evidence or a conflict of the House did take place on this occasion."

There was no verbatim record of the conversation, and the committee, under the chairmanship of Mr Francis Pym, member of the House of Commons and Leader of the House, received evidence from both Mr Campbell-Savours and Mr Campbell-Savours.

Documents submitted by the latter described in different ways remarks alleged to have been made by Mr Campbell-Savours at various stages of the conversation: those submitted by Mr Campbell-Savours denied the alleged remarks.

There were two main areas of doubt. The first was whether Mr Campbell-Savours in fact threatened to end his investment in the BSC investment.

ment in Workington would result from his deliberate action in retaliation for Mr Campbell-Savours' conduct or would merely be an inevitable consequence of it.

"The second was whether any alleged threat by Mr Campbell-Savours was made in relation specifically to what Mr Campbell-Savours might say, or be likely in future to say, on the floor of the House."

If it could be established that Mr Campbell-Savours had threatened to end his investment in the corporation at Workington if he failed to make speeches in favour of the kind he had made in a debate on the steel industry at Workington, and threatened on what he regarded as deficiencies in the managerial structure of the corporation.

In evidence, the MP said: "The threat made against me at the meeting, despite the obvious literary reinterpretation, was direct, and that is the question, as I understand it, that is at issue. In all the statements I have made, I have not done anything to detract from the directness of the threat."

The committee said: "What was said was likely to have been subject to the stresses of the moment. Mr Campbell-Savours may have spoken in terms that he would not have used if he had been reading a prepared statement, and indeed he conceded that he might have over-reacted to Mr Campbell-Savours' observations."

Report from the Committee of Privileges. Complaint of a Conversation concerning British Steel Corporation Policy towards Workington, Stationery Office (E.40).

Seeking a remedy for Whitehall's poor housekeeping

In the wake of the report criticizing Whitehall's failure to maintain an adequate standard of good housekeeping in its activities or an acceptable stewardship of about £60,000m of public money annually, Peter Hennessy and John Witherow reveal some of the shortcomings and discuss possible remedies.

In one of the more dramatic Commons hearings in recent years, Sir Douglas Henley, Comptroller and Auditor General, Parliament's watchdog on spending and efficiency, produced on Monday a memorandum on internal audit that raised a fundamental question about the competence of central government.

If on the basis of evidence uncovered by his inquiry, Whitehall departments are so bad at managing their own internal financial control and accounting, how can the taxpayer be satisfied about their ability to ensure the efficient running of the country?

Apart from operating a machine of 695,100 civil servants at an annual cost of £8,300m, ministries have the direct responsibility for disbursing about £60,000m of public spending each year.

In committee room 16 on Monday evening, Sir Douglas provided the Commons Select Committee of Public Accounts with a jaded pistol to point at the heads of the two permanent secretaries called before him.

Ironically, one of them, Sir Anthony Rawlinson, Second Permanent Secretary responsible for the Treasury's public services sector, now fills the position Sir Douglas occupied between 1972 and 1976 before moving on to work on behalf of Parliament as head of the Exchequer and Audit Department.

Sir Douglas is a quiet, subfusc man, whose style, if anything, is to understate a case. A sense of drama was the last thing he brought to his report when discussing it yesterday afternoon in his office on the Victoria Embankment.

Asked to encapsulate the heart of his memorandum, he replied: "We want to get more impetus behind the kind of things internal audit ought to be doing and we want them to be carried out with the most effective techniques. For this purpose, we do think that a higher proportion of qualified people is necessary in most but not all departments."

"This particular problem is by no means restricted to the public sector. Certainly, the role of computer audit, internal and external, is a very serious problem right across the accounting world."

In 1980 Sir Douglas's auditors examined the practices of 34 departments, using the intimate knowledge they have gained by working alongside them on routine auditing duties. Their inquiry, Sir Douglas said yesterday, revealed that, with a few exceptions, the function of internal audit was regarded as a Cinderella activity by top civil servants.

Asked to comment on the pleasures of turning gamekeeper after a lifetime spent as a Treasury poacher, Sir Douglas abandoned understatement to speak with feeling about the need for the Comptroller and Auditor General to be close to the Treasury while remaining totally independent of it, and everybody else for that matter.

One of the messages of the Henley memorandum is the coexistence in Whitehall of sound and inadequate internal audit practices. Sir Douglas would not be drawn by the public accounts committee on Monday into naming the good and the bad departments.

Sir Anthony Rawlinson, held up the Ministry of Defence as an exception that should be exempted from the Comptroller's general strictures, a view that would be generally shared by the rest of Whitehall and not just in the ministry itself.

In appendix B of his memorandum, Sir Douglas summarizes the audit practices of four departments, two of which clearly did not reach the standard he expected of them—the Department of Education and Science and the Property Services Agency, which is part of the Department of the Environment but reports separately to the public accounts committee.

The Ministry of Defence is responsible for keeping track of the country's largest single budget. With an annual expenditure of £12,000m, no enterprise, public or private, can match it in the proportion of national resources it consumes.

The ministry employs 300 accountants, 23 of whom work on internal audit. In 1979 it introduced a new accountability scheme to cover all its activities designed by Mr George

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Sir Douglas Henley: Treasury poacher turned gamekeeper.

Emery, Director-General of Defence Accounts, who retired last year.

It is known as the ABC system. A is for "acquisition", cash used for people, kit and services. B is for "buffer stocks", equipment, buildings and physical assets. C is for "consumption", a measure of all the outputs that make up the spending total.

The Department of Education and Science (DES), and the Office of Arts and Libraries to which it offers shelter, handle about £3,420m of receipts and payments each year. Sir Douglas's investigation discovered that its internal audit team amounts to 10 staff led by a senior principal who works on the subject part-time.

According to his memorandum: "DES operates large-scale computerized accounting systems but the internal audit unit contains no fully trained computer auditors and has not been able to cover these areas adequately. An officer with computer experience has recently been

appointed to help deal with this aspect."

The Property Services Agency's annual receipts and payments amount to about £1,750m. The head of its internal audit unit is a professional accountant who supervises 63 officials. A high-level internal audit committee, chaired by the principal finance officer of the Department of the Environment, reviews the unit's work regularly.

Sir Douglas discovered: "The unit bases its work on annual and long-term audit plans. Much of the work is becoming systems-based... but the unit has not yet been able to deal fully and effectively with computerized functions."

Whitehall employs 1,010 accountants, 27 of whom work in Sir Douglas's Exchequer and Audit Department. Only 47 of them work full time on internal audit in 11 departments. The remaining ministries have no accountants working on the subject.

The bulk are located in the Ministry of Defence which employs 23. The Ministry of Agriculture, Fisheries and Food has 11, the PS4 four and the Home Office two.

The following ministries employ one accountant each on internal audit: Civil Service Department, Foreign and Commonwealth Office, Overseas Development Administration, Stationery Office, Industry and Trade, Central Office of Information, and the Welsh Office.

Laxity and fraud

Sir Douglas's criticism of the Civil Service for poor housekeeping is not the first time that much-maligned body has been accused of profligacy and incompetence.

Few taxpayers would doubt that waste is rife within Whitehall but occasional examples of fraud and inefficiency have revealed the extent of laxity in certain departments.

One of the most severe indictments came in the trial in 1979 of Barrie Wallington Barnes, a Foreign Office bookkeeper who had used a simple technique to defraud the department of £384,356.

Mr Justice Melford Stevenson, the judge, said the frauds had been made possible by lack of competent supervision and that random spot checks "seemed to be rather anemic efforts".

The remedy for the shortcomings of Whitehall's internal audit practices lies in the hands of two bodies, one a part of the country's private system of government, the other in the public domain.

The private entity is an inter-departmental committee known as the Financial Management Co-ordination Group, under the leadership of Mr Geoffrey Litter, a Treasury deputy secretary. Its responsibilities were alluded to by Sir Anthony Rawlinson in his evidence to the Public Accounts Committee: "The task of strengthening internal audit was given to it in the aftermath of a review of Treasury-Civil Service Department relationships."

Three-year task

Ministries have been given three years to bring their computer audit capability up to standard. Heads of department have been sent a letter signed jointly by Sir Ian Bancroft, Head of the Home Civil Service, and Sir Douglas Warr, Permanent Secretary to the Treasury, outlining what is expected of them.

The public body responsible for improving internal audit is the public accounts committee itself.

Corruption trial told of woman's fear

Richard Ford

Idlesbrough

A woman told a jury yesterday how at one stage she feared for her life after she innocently became involved in investigating alleged corruption in the Metropolitan Police.

Miss Joan Millard, of West London, told Teesside Crown Court that after hearing a taped conversation allegedly between a petty thief and a police sergeant: "I got very threatened and nervous because I could not quite believe

lower, she told Mr John Woods, who is conducting her own defence, that no tar had been made against her. Mr Symonds, aged 45, a Metropolitan Police detective sergeant denies three charges of corruptly accepting a total of £150 from Mr Michael Perry in return for giving him over an arrest.

Offshore safety procedures be streamlined

John Huxley

Measures to streamline offshore safety procedures are expected to be announced today.

Department of Energy's director responsible for safety is to be strengthened by staff from the Health and Safety Executive.

It is in line with recommendations made by the govt committee on offshore safety, presented to Parliament 13 months ago. The committee argued that responsibilities for offshore safety should rest on a single government agency.

Ministers are also seeking ways to extend safety zones and installations.

The timing of the announcement is unrelated to the publication of the findings of the Alexander L. Kielland rig disaster, in which 123 people died last year.

The Department of Energy is in talks with unions and platform operators on introduction of safety certificates, similar to those established in most onshore work centres.

Overseas citizens' entry vouchers to stay

Geoffrey Browning

Parliamentary Staff

The Government was committed to maintain the special voucher scheme under which British overseas citizens would be eligible for entry eventually.

Timothy Raison, Minister of State at the Home Office, told Commons committee yesterday.

To admit all the special voucher holders at once would use pressure and friction which would damage race relations.

The Government had promised in the British Nationality Bill that those who settled here could be entitled to British citizenship after five years' residence, he reminded MPs considering the Bill.

For British overseas citizens, however, Mr Raison said: "We do not think those in this group should all acquire British citizenship, when the Bill comes into force, which carries with it the right of abode so they are free to come to the United Kingdom as and when they choose."

Mr Raison said the voucher scheme ensured that people who faced hardship would be able to enter Britain at a controlled rate. Once here they would be able to secure British citizenship as an entitlement.

He was replying to an Opposition amendment moved by Mr Roy Hattersley, Opposition spokesman on home affairs, who estimated that about 71,300 people would benefit if British overseas citizens were allowed

Family faces housing dilemma

By Pat Healy

Social Services Correspondent

A homeless mother living on supplementary benefit has been told that it may cost her up to £5,000 if she accepts accommodation from the council that admits responsibility for rehousing her.

Mrs Ann Dawson, who has two sons, the elder of whom is spastic, has been given 12 days, expiring on Friday, April 17, to decide whether to accept an offer of two rooms with shared bathroom, lavatory and kitchen, at £2.50 a night. If she does accept, Arun district council in West Sussex, has told her it will demand £534.71 rent arrears, but will take no steps to recover that while she remains outside the district.

In addition, Arun council will raise an account against her for "a substantial proportion" of the £4,500 costs incurred by the London borough of Sutton in providing bed and breakfast accommodation.

In a letter to Mrs Dawson, the council points out that it will have to repay that sum since it has accepted responsibility for housing the family.

The letter, which was described as "monstrous" yesterday by Mr Nicholas Ravensford, director of the Shelter Housing Aid Centre, appeared to be designed to deter Mrs Dawson from returning to Arun, he said.

Mrs Dawson became homeless in January, 1980, when Arun council evicted her for rent arrears accrued after her husband left her, but provided short-term accommodation. The family later moved to Sutton, where they were accepted as homeless under the Housing (Homeless Persons) Act.

After prolonged correspondence and High Court hearings, Arun accepted responsibility for the family. Mr Edward Ward, health and housing officer for Arun council, said yesterday that Mrs Dawson had been offered hostel accommodation, with above average facilities, and would be rehoused to permanent accommodation eventually.

Dr Richard Whitton, the Birmingham coroner, told the jury that in February a senior prison officer had been charged with killing Mr Prosser in his cell at Winson Green. The disciplinary magistrate ruled that there was insufficient evidence to commit him for trial. The inquest was adjourned until today.

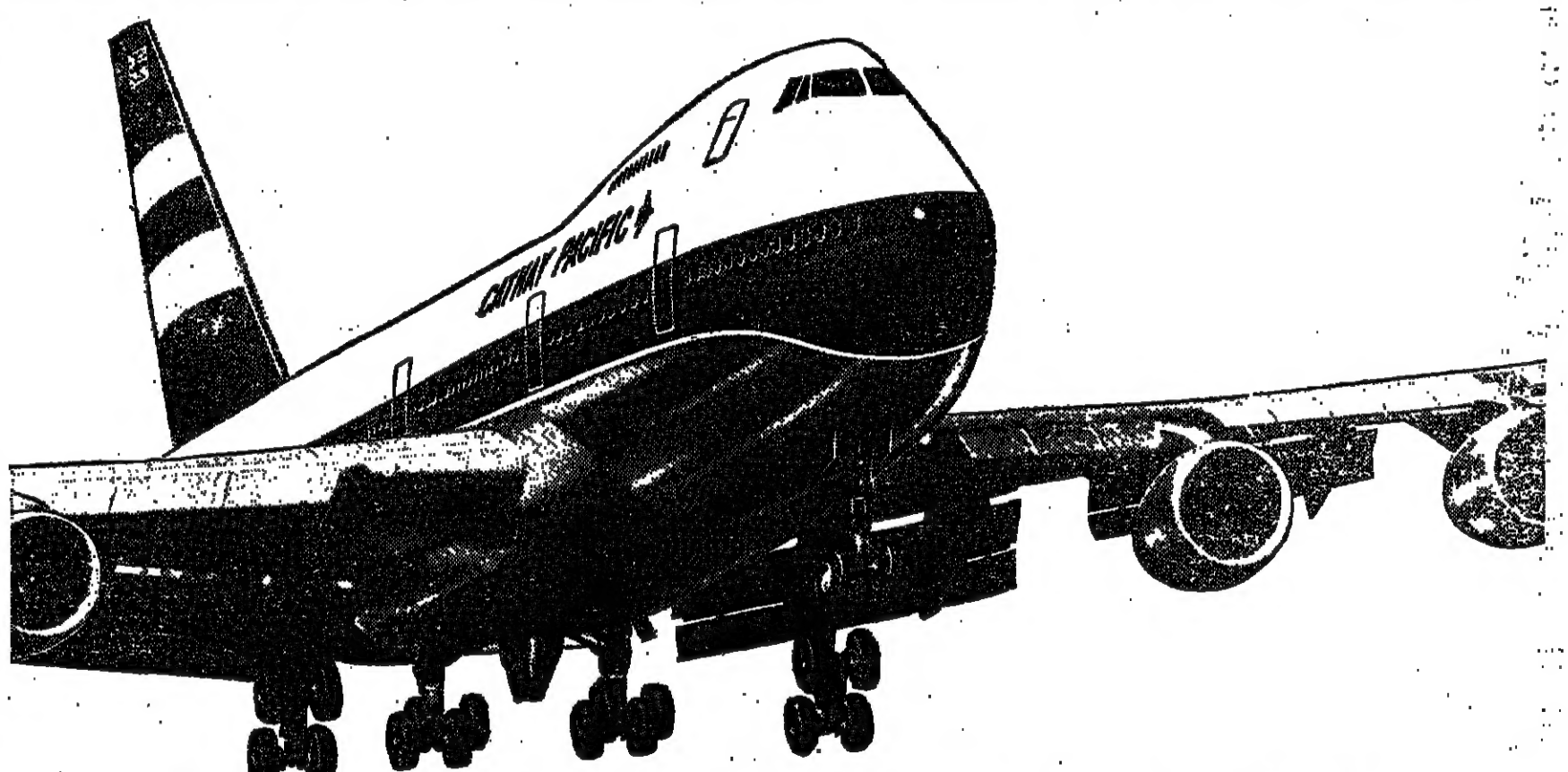
Traffic warning

Traffic will be delayed on the A1 at Sandy, Bedfordshire, from Sunday, April 26, until next spring, because of work on replacing traffic lights with a roundabout at a cost of £810,000.

to become British citizens with rights of entry and settlement in the United Kingdom.

He conceded that the Immigration Act, 1968, was wrong in that it "broke the promise" given to East African Asians at the time when the states in which they lived became independent.

Mr Raison said some recent press reports had suggested the Bill was an attempt to reduce responsibilities to United Kingdom and colonies citizens who had become British overseas citizens, and those who had become citizens of the British dependent territories.



HONG KONG DAILY NEWS

A Cathay Pacific exclusive

From July 1st there will be only one airline operating a daily, one-stop service between London and Hong Kong - Cathay Pacific. And Cathay Pacific is the only airline that has over 380 flights a week between Hong Kong and all the major cities of Asia, and on to Australia.

So if you're flying east, the Cathay Pacific 747 departs daily at 11.00 a.m. for Hong Kong via Bahrain. You can depend on us.

All seats fully bookable through your Travel Agent, or phone us on 01-930 7378.

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The Swire Group

CATHAY PACIFIC



County Hall uproar: Mr Victor Radmore (seated, right) facing opponents of the redevelopment plan.

Demonstrators drive out inquiry inspector

By John Young
Planning Reporter

Rowdy demonstrators succeeded in forcing the postponement of a public inquiry yesterday into the proposed redevelopment of the Coin Street site, on the south bank of the Thames in central London.

In the most disruptive inquiry scenes since the motorway controversies of the mid-1970s, the police were called to restore order within minutes of the start. After Mr Victor Radmore, the inspector, had twice been driven to leave the platform in County Hall, it was announced that a further attempt would be made to begin the proceedings tomorrow.

Among the first people to interrupt Mr Radmore's opening statement were Mr Hilary Harrington, deputy leader of

the Labour group on the Greater London Council, and Mr Stuart Holland, Labour MP for Lambeth, Vauxhall.

Mr Harrington appealed for objections to be heard to the holding of the inquiry only a month before the GLC elections. Mr Holland said he was deeply concerned about the nature of the inquiry and its timing.

Almost immediately there was a surge of demonstrators, including women with small children, into the centre of the conference hall. They surrounded the platform, and Mr Radmore, the inspector, had to be escorted to leave the hall by a police officer.

The police moved in, and amid angry scuffles, furniture was overturned. Mr John Hearn, secretary of the Association of Waterloo Groups,

was among those ejected from the hall, but it was understood that no charges had been made.

Mr Radmore called a 20-minute adjournment but by the time he returned to the hall, the platform had been taken over by demonstrators. Among their leaders was the Rev David Wickert, Vicar of Waterloo, who assumed the chair.

Mr Holland again addressed the crowd, describing the inquiry as a " kangaroo court". He deplored the calling of the police, and insisted that such scenes need never have occurred if the outgoing Conservative administration in the GLC had not attempted to camouflage "its iniquitous deal".

The deal to which he referred was the council's decision to sell the parts of the site which it owned to the Waterloo Estate, a company controlled by the

The Labour Party has stated that if it regains control of the council next month, it will cancel the deal and will broadly support Lambeth council's preference for a mixed development of housing and light industry, instead of offices.

Yesterday's demonstrators made it clear that they intended to try to force postponement of the inquiry until after the elections, and that they were in no mood for compromise.

After Mr Radmore had left the platform for the second time, he was said to have told Mr Wickert that he would agree to hear objections once he had been allowed to make his opening statement.

The proposal was put to the demonstrators but, on a show of hands, was unanimously rejected.

In brief

Cleaner charged with two murders

A cleaner was remanded in custody at Loughborough, Leicestershire, today, charged with the murder of two business partners. Wayne Russell, aged 29 of Beithville Road, Derby, was remanded for seven days.

Mr Colin Allsbrook, aged 40, of Victoria Street, Melbourne, Derbyshire, and Mr Martin Nobbili, aged 32, of Chellington Derby, were shot at their home, 10, Furness Road, ANR Furnishings, on an industrial estate at Castle Donington, Leicestershire, on Monday.

PC 'talks down' man on bridge

Police constable Simon Hillen, persuaded a man aged 27 to descend from one of the towers of Hammersmith Bridge, London, yesterday, after talking to him for an hour on top of a fire engine ladder. The man was said to have been threatening to commit suicide.

PO pay offer

Pay negotiations covering 160,000 Post Office workers were adjourned last night after the Post Office told union leaders that it would make "a small increase" in its 6 per cent offer provided the union indicated it was ready for a settlement.

Editor summoned

Joseph Albert Pearce, aged 20, of Dagenham, editor of the Young National Front publication *Bull-Log*, was yesterday served with summonses alleging "incitement to racial hatred". He will appear before the magistrates at Old Street, London, on May 7.

Trains rerouted

Inter-city rail services operating between Euston and Watford, Coventry, Birmingham and Wolverhampton will be transferred to start and end at Tottenham this weekend while extensive track alterations are made at Rugby.

Roman gate preserved

Gloucester's Roman east gate, rediscovered seven years ago after being buried for two centuries, will be opened to the public next week.

Amnesty chief sought

A committee is to be set up to find a successor to Mr Cernigoi, editor of the *Amnesty*, who took the office as director of the British section of Amnesty International after internal controversy.

Restrictions in wake of island outbreaks to be lifted soon

New foot-and-mouth case feared

By Hugh Clayton
Agriculture Correspondent

The two latest suspected cases of foot-and-mouth disease on the Isle of Wight were cleared yesterday.

At the same time, a suspected outbreak among sheep on a farm at Tring, Newmarket, Suffolk, was reported, and tests are being made on the animals.

At midnight tomorrow Mr John Le Feuvre will be able to step outside his farmhouse in the St Peter's parish of Jersey for the first time in three weeks. It will be his first chance to inspect the field in which seven of his cattle have been buried with their milk and the chains which tethered them when two were found to have the disease in March.

Scientists at the Animal Virus Research Institute at Pirbright, Surrey, have established that the virus which appeared in Jersey and the Isle of Wight in March was the same as that which occurred on several farms in Brittany and Normandy. The distance from northern France to the Isle of Wight is one of the farthest the foot-and-mouth virus has been known to travel.

Urban onlookers are sometimes bewildered by the draconian measures used to contain the disease. Although fewer than 20 animals on the Isle of Wight were found to be infected last month, more than 600 have been slaughtered in

southern England as possible contacts. The cost to the Government in compensation to farmers will be more than £100,000.

The reason for the harsh control measures is that foot-and-mouth is one of the most persistent diseases affecting farm animals. It has been established, however, its incubation period after a few weeks. If the disease becomes established, however, its incubation period can reduce our put of milk and meat by a quarter.

The 12 full years of freedom from the disease enjoyed by the United Kingdom from 1969 to 1980 constitute the longest period since compulsory slaughter was introduced in 1952. Well over a million farm animals have been slaughtered this century in British government campaigns.

There are seven types of the foot-and-mouth virus, which was first identified in Britain in 1839. It is known to be capable of travelling on dust particles, measuring a fraction of a millimetre. It can survive on clothes for three months and persist in the hides of slaughtered animals. It can sometimes survive, pasteurization of milk.

The outbreaks in the Isle of Wight and Jersey, which have disrupted many leisure and farming activities, have alarmed more than 200 directly involved. Mrs Doreen Bazely, the wife of a tenant farmer who lives near the border of Hampshire and West Sussex, said: "We lost between 250 and 300 cattle, mainly Ayrshires. We now have 450 Friesians. Only one of our animals had foot-and-mouth disease at first. By the time they came to shoot them three hours later, several had it."

If there are no more cases the restrictions on the Isle of Wight will be lifted at midnight on Sunday, and Mr Robert Few will be able to leave his farm near the north coast for the first time for three weeks.

Meanwhile, official campaigns against more common but less publicized diseases of farm animals continue. Yesterday the Government announced that officials of the state veterinary service had "served" Form C on a farm in North Humberside.

That meant that swine vesicular disease, caused by a less virulent virus than foot-and-mouth, had appeared outside its normal hunting ground in north-west England. Form C imposes curbs on transport of livestock within five miles of the farm concerned.

Poll may sever town from local authority

From Our Correspondent
Leamington

A small town is on the brink of declaring its independence. Voters in Southam, Warwickshire, go to the polls next Wednesday in an unusual referendum to decide whether to break away from Stratford-on-Avon, their centre of local government.

Rebels in favour of independence claim that Southam, which has a population of 7,000, is 20 miles from Stratford, while most residents work, shop and play in the nearer towns of Leamington and Rugby.

Southam's councillors favour the status quo, but a "gang of six" has led the breakaway move by calling a parish meeting and using the Local Government Act, 1972, to demand the referendum.

Train robber is fined for assaulting PC

From Our Correspondent
Leamington

The train robber James Hussey, who is on parole, appeared in court yesterday after clashing with a taxi driver outside a police station in Savile Row, London.

Mr Hussey, aged 48, of Karen Court, Grove Hill Road, Camberwell, London, was fined £50 with £21.50 medical costs at Marlborough Street Court.

He admitted assaulting Police Constable Peter Lansdown and using insulting words and behaviour.

PC Lansdown told the court that police were called to the disturbance outside the police station at about 7 pm.

"It appeared that the defendant had been drinking heavily and entered a taxi that was not for hire and then refused to leave."

Mr Hussey said: "I would like to apologise. It was just a drunken incident."

Door kicked open, fire inquiry told

From Christopher Thomas
Dublin

A witness of the Stardust discotheque fire in Dublin seven weeks ago, in which 48 people died, described yesterday how three young people had managed to kick open an exit door that was locked and secured by chains.

Mrs Joan Flanagan, aged 30, was the first witness to appear before the judicial inquiry, which is expected to last six weeks. A point of conflict after the disaster, in which 160 people were injured, was whether some of the emergency exit doors were locked.

Mrs Flanagan said she and two friends, Maureen and Christine, had fled to the double doors of one of the exits after they smelt fire.

"Christine was holding a lot of things and was pushing at it kicking and shouting. 'The bloody door is locked. It is locked, what are we going to do?' I remember pressing the door and pulling the chain, and said: 'Do not scream. The bouncer will open it in a minute.'"

Three young fellows came bursting in through the (inner) doors and kept saying not to panic. Three fellows started kicking the door. I remember looking at the door and never taking my eyes off it."

After perhaps five minutes, she said the door opened a little and the young people continued kicking it. Eventually it opened. Under questioning, Mrs Flanagan said she had tried pulling the chain but it would not give. It looked to her as if it was on both portions of the door. There was a lock securing it.

"I had never noticed chains on the exit doors when I had been there before."

She agreed that there had been panic at the exit door. "I remember the three of us were holding hands. We did not

Radio version of 'Star Wars' bought from US

By Kenneth Gosling

The BBC has bought a radio version of an outside-of-the-box commercially one of the most successful films made, from the United States for £15,000, which gives it the right to broadcast the 13-part series three times.

The first broadcast will be on Radio 1 and the second, on stereo, will use the sound effects to their best advantage, will begin on July 4.

The series took only a few weeks to make and was adapted for radio by National Public Radio and the University of Southern California's radio station in Los Angeles.

Anthony Daniels, the actor who played See Threepio in the film and repeats his role on the radio, gave the impression of losing that little would be lost.

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Bill aims to ban 15,000m non-returnable bottles

By David Nicholson-Lord

A Bill to ban the non-returnable no-deposit bottle and reduce the total of 15 thousand million cans and glass containers thrown away in Britain every year is being introduced for the first time in the House of Lords today.

It is sponsored by Lord Beaumont of Whitley, the Liberal peer and spokesman on the environment. It seeks to make all beer, cider and soft drinks containers returnable by requiring them to bear a deposit.

Standardized bottle designs, capable of being reused by different manufacturers, would also be encouraged by paying lower deposits on them.

The Bill, modelled closely

Home Office's unpublished report

Police methods of dealing with assault claims criticized

By Peter Evans
Home Affairs Correspondent

Some investigations by the police of complaints against officers of assault are more concerned with establishing the criminal guilt or untrustworthiness of the complainant than with attempting to discover what happened, an unpublished report of the Home Office Research Unit says.

After studying Metropolitan Police files of assault complaints, the unit concluded that in a significant minority of cases, investigations are not as thorough as might have been expected.

In at least 15 per cent of cases more rigorous tracing of eyewitnesses and cross-examination of officers present might have produced further information leading to the substantiation of the complaint.

The selection of those who are to give statements, the report says, seems at times to be calculated less to discover what happened than to accumulate evidence that might support the police version of events.

Accounts by police officers or surgeons of alleged assault are sometimes implausible, the report says.

Five policemen were standing in a queue in a canteen when a violent struggle broke out between an officer at the head of the queue and a canteen assistant. Only one acknowledged witnessing the incident but denied an assault. The second officer said he was not paying attention to what was happening; the third, that he looked up only after the incident; the fourth, that he did not hear anything; and the fifth, that he moved away at the crucial time: he did hear swearing, but did not hear who it was who swore.

The report says that there is a tendency to explain injuries as self-inflicted.

In one incident when the complainant admitted he went wild in his cell, shouting abuse and attacking the door, but also alleged assault officers were asked if they knew how he came by his injuries. All but the station officer said they did not know; he said: "I think he got a split lip whilst alone in the detention room."

In one case, the investigating officer's report had assertions from an officer which were not found on the file.

"It may be that such assertions were made orally, but they have not been recorded in a statement."

There are often many statements on a file, which may run to 700 pages or more. The investigating officer's report, however, gives a succinct account of what he considers to be the important evidence in the case.

"But it is often found that important details from evidence on file are omitted or misinterpreted in the investigating officer's report."

The report says that the investigating officer may question the trustworthiness of the complainant as a person. One, for example, "made no secret of his involvement with various organisations who deal with 'civil liberties' and I have no doubt that his feelings in this direction are also shared by the witness X, who lives with him."

The report says it is clear in one case that the police realized the use of criminal charges in identifying or weakening a complainant.

An inspector criticizes a policeman for not charging the complainant (who was under arrest), suggesting that if he had done, the complainant would not have had such a strong case against the police in his complaint. The inspector pointed out that the policeman in question had been at that police station for only a few weeks before the incident.

Some inquiries are more concerned with establishing the criminal guilt or untrustworthiness of the complainant than with attempting to discover what happened... and seem at times calculated to support the police version of events.

Between 1970 and 1979, 19 per cent of all complaints alleged assault. In 1970, 1.4 per cent of alleged assault cases were substantiated, compared with 0.7 per cent in 1979.

The percentage of all complaints substantiated was 5.7 in 1970 and 2.7 in 1979, the report says. Only about one in 1,000 complaints of assault by prisoners in the decade were substantiated; the figure for non-prisoners was about six times higher.

Case 2

"There are occasional allegations that police have tried to discourage the making of complaints... a solicitor complained that his co-complainant could not be arrested for drunkenness as he had not been breathalysed; he alleged officers told him: 'This does not concern you, go away.'"

But during that time proportionately more complaints were being withdrawn, not proceeded with by the Police Complaints Board. Thus a progressively smaller proportion was being investigated.

Of those investigated, the report says, the proportion substantiated remained about the same: 7.6 per cent in 1970 and 7.1 per cent in 1979. The report finds no racial bias in the investigation procedure.

Only one in a thousand complaints of assault on prisoners were substantiated.

In general, and in most particular, the findings support the recommendations of the Tricouncil Review of the Police Complaints Board. The board recommended distinguishing between serious and non-serious cases, and investigating serious cases, which should be investigated by a specialist body of seconded investigating officers.

Case 3

"The complainant admitted he went wild in his cell, shouting abuse and attacking the door, but also alleged assault. Officers were asked how he came by his injuries. All but the station officer said they did not know; he said: 'I think he got a split lip whilst alone in the detention room.'"

Some have had an academic career before joining the police, which is headed by Mr I. Croft, whose position is equivalent to that of assistant secretary.

This month's Police Federation Journal, which is published by the Police Federation, says that the chairman of the Police Complaints Board.

It quotes him as expressing concern about the number of complaints which were withdrawn, and suggesting that it could be due to improper pressures. Asked to be more specific, he mentioned that it had been told to him by personal friends, Police said.

Sir Cyril was not, however able to cite the report by Home Office Research Unit, cause it has not been published.

The report adds that most people complaining of assault are not serious. The vast majority, and many are not even seen by a police surgeon. Medical examination could be made mandatory in cases of alleged assault, where the complainant is in custody at the time.

In cases of serious assault, the board should request the investigating officer for statements from all possible eyewitnesses. If they were not

forthcoming, the investigating officer should give reasons why he could check with the witnesses, or if he had been asked to do so.

There are 16 members of the Police Complaints Board, deal with 14,000 complaints a year. The report says the board's capacity to exercise its independent judgment prepared an extended summary of the important points in complaints of serious assault, pointing out inconsistencies and inconsistencies in all statements (whether from complainants or independent witnesses) and noting information that might be requested from the investigating officer.

About 300 files a year, 75 of them from the Metropolitan Police District, would such treatment.

The research unit is regarded in the world of police. Reports that it has its work severely cut back, an outcry last year to the Times in December, International Society of Criminology, Professor T. C. Gibbins (past president) Mr J. E. Hall Williams (president) referred to "significant" contributions members of the unit's staff made to international meetings and committees under the aegis of the United Nations Council of Europe at Strasbourg. Members of the Society of Criminology, unit's reports had been "admired for their range and practicality."

Mr Louis Blum-Cooper, wrote to the Times on May 27 that "as a member of the Advisory Council on Police Systems from 1963 to 1967, I greatly appreciated its efforts to provide the information required."

There are between 45 academic and research staff in the unit. Virtually all have higher degrees as well as first degrees, many hold honours, and most are criminal lawyers. Some are former civil servants, ranging from executive or higher executive level to senior principal.

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In cases of serious assault, the board should request the investigating officer for statements from all possible eyewitnesses. If they were not

BBC cash for operas by British theatres

By Our Music Reporter

The BBC announced yesterday that it is commissioning seven operas, one for each of the main British opera companies. The works will be presented by the companies and BBC will have the right to broadcast the premieres.

It had announced the commissioning of Aulis Sallinen, Finnish composer, to write an opera, *The King Goes Forth*, for Covent Garden which will be produced there in 1984. Yesterday it said it was commissioning the Hungarian composer, to write a work to be presented by English National Opera at the London Coliseum in 1986.

Mr Robert Ponsonby, BBC's controller of music, said it was discussing plans with composers and with other companies. English National Opera, North, Glyndebourne Opera, Kent, Scottish Opera and Welsh National Opera.

He hoped they would reach agreement with the companies and composers within a year although it might be the end of the decade before the work was performed.

Medical school may sue if merger goes ahead

By Nicholas Timmias

Westminster Hospital medical school may take London University to court if it insists on merging the school with Charing Cross Hospital medical school in Fulham.

On legal advice the school has told the university that it believes the merger could not be enforced without the governors' consent.

Mr Robin Forrest, secretary of the school, said yesterday that talk of legal action was premature. "We are still part of the university and it is un-

Dionysiac rites the key to tragedy

From Philip Howard
Exeter

The sound of learned Dionysiac revelry from Exeter yesterday was a warning that the Classical Association has gathered for its annual meeting. In the first paper last night, Dr Richard Seaford discussed the vexed question of the origin of tragedy. People have been arguing that old question since Aristotle suggested that the first tragic actors were goat-men dancing to the dithyramb; and the vile puritan William Pyne asserted that in ancient times it was the notorious badge of profligate strumpets and the lowest barlows to ramble abroad to the theatre.

Dr Seaford argued persuasively that tragedy started not with goats or strumpets, but with mystic initiation into the rites of Dionysos. He took the Bacchae of Euripides in which Dionysos comes in disguise to

Thebes to establish his mystic rites there, as the sacred story of initiation and the earliest theme of tragedy.

Themes in the play allude to the mysteries, in the same way that Mozart alluded to masonic initiation in *The Magic Flute*, but more seriously.

The riddling language of Dionysos to Pentheus reflects the use of riddling language to excite and baffle the novice in mystic initiation.

Much other matter in the play, from the transvestism to death by dismemberment, and from the dancing on the mountains by the Maenads to the fuss made about a new suit of clothes echoes the rituals of initiation.

Dr Seaford concludes that all tragedy was originally about Dionysos. When it took on new themes, the public objected to the change. So, as a compromise, after each tragic

revelry a satyr-play was produced. The rapid riddling dialogue and "revelations" of extant tragedy are vestiges of its origin in mystic initiation.

Both those features occur in a less vestigial form in extant satyr drama, which was a constant reminder of the origins of tragedy.

The Bacchae was the earliest theme of nascent tragedy. Its treatment of the story is highly traditional. Form, diction, and style are archaic. If tragedy originated in Dionysiac mystic initiation, its earliest plot was the sacred story of that initiation.

According to Dr Seaford, the Bacchae is just such a play. And because there are independent reasons for believing in the peculiar closeness of the Bacchae to the origins of tragedy it provides confirmation of the theory that tragedy originated in mystic initiation.

Council seeking officials to stop house sales

From Our Correspondent
Sheffield

The Government is being asked to intervene after Sheffield City Council announced its plan to recruit two officials to persuade council house tenants not to buy their homes.

The council, which is Labour-controlled, was accused yesterday of trying to harass and intimidate tenants into dropping their applications.

The officials will be paid about £6,500 a year to describe to prospective buyers the disadvantages of home ownership and the reasoning behind the "don't buy" policy. Next week the Tory opposition on the council is to send a dossier to Mr John Stanley, Minister for Housing and Construction, asking him to intervene.

Fleet

WHO GIVES YOU MORE?

Synonymous with the word fleet, is the word Ford. And if you're in the position of having to buy and maintain cars for an organisation, you're probably aware of this already.

But if, recently, you've been bombarded by confusing arguments from other sources, let's examine the reasons why there is really only one choice for your fleet.

For a start, Ford's range can't be rivalled. We have thirteen Fiesta models. Twenty-six versions of the now famous Escort. Nine Capris, nineteen Granadas, and no less than twenty Cortina variants. That's enough to satisfy anybody. From a sales representative to a managing director.

Then there are the service aspects. At Ford we have a total commitment to the fleet market. This means we not only provide the finest selection of cars, we have an unrivalled back-up service too.

It includes the involvement of fleet operators during the design of new models to ensure they're getting the cars they want.

It encompasses a fleet purchase scheme handled through Ford Motor Credit Company.

And of course, in the background, is the reason why people who buy Ford for their fleet, sleep easy at night: 'Extra Cover'.

This is Ford's optional warranty plan, where for a small sum you can purchase a warranty for an additional twelve, or if you wish, twenty-four months.

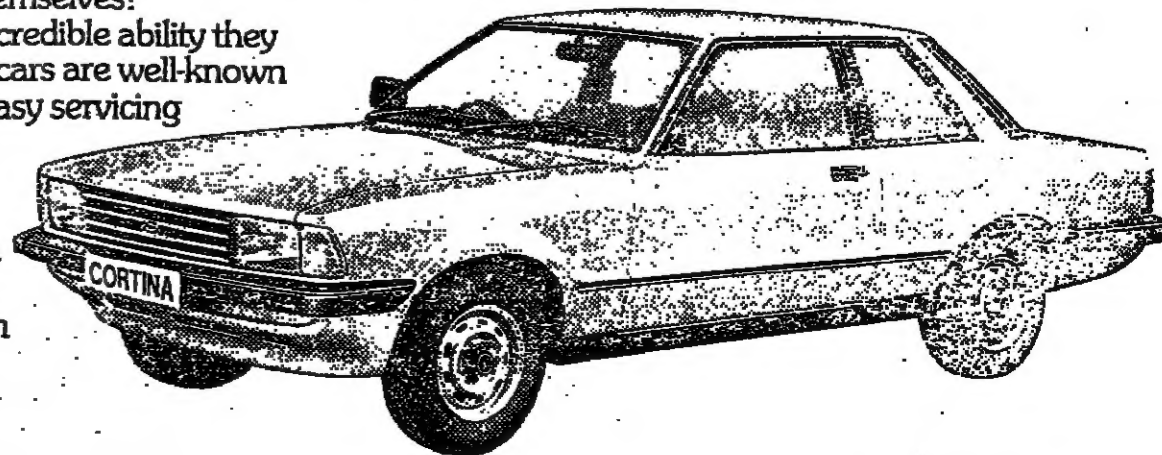
But what of the cars themselves?

Quite apart from the incredible ability they have to hold their value, Ford cars are well-known for their efficiency, reliability, easy servicing and cheap replacement parts. They're also known to be extremely well equipped. But recently, they've become more so. Because on our latest models, we've been fitting even more options as standard.

Naturally all these benefits keep Ford firmly in the number one slot, supplying over half the cars to companies of significant size in the UK today.

And naturally too, these benefits have prompted extensive comparisons from our competitors.

But in the long run, there's only one company who can offer the cars, the service, and the total commitment to fleet: Ford.



Ford gives you more.



Blunt British criticism of Soviet stalling tactics at Madrid talks

From Richard Wigg
Madrid, April 7

Britain spoke out in blunt terms at the European security conference today about the Soviet Union's continuing refusal to honour the obligations it has assumed under the Helsinki Act and its delaying tactics over agreeing a final document to close the talks here.

"For all the attention the Russians have been paying to the Helsinki Final Act, it might as well not have been signed," Mr John Wilberforce, the chief British delegate, told reporters after his speech to the plenary. "Though Mr Wilberforce did not mention Poland by name, references to the continuing crisis in that country were frequently implied in his speech. Britain, not unexpectedly, has taken the frankest line yet against the Russians at the Helsinki talks."

The conference will reconvene on May 5 and efforts are being made to limit the session to a four-week duration. If substantial agreement between East and West is not achieved by then, the 35 nations attending the talks will simply fix the date for the next review conference, probably in 1983.

"We are not prepared to see this meeting carry on endlessly without any sign of substantial progress for the better in Soviet behaviour," Mr Wilberforce said. "If we have to acknowledge failure, we can only regret it. In this event the talks of the Helsinki Act must be preserved, not diluted by verbal compromises. They must be kept in trust for the next opportunity to secure their realization."

The British delegate scarcely mentioned in his speech the draft-concluding document, which was presented last week by eight neutral and non-aligned countries as a last hope for salvaging something from the Madrid talks.

Mr Wilberforce reiterated the West's proposal on human rights, tabled before Christmas, and then he made a detailed review of the continuing Soviet obstruction of such provisions during the Madrid conference.

The decision to draw up the list was taken last December by Nato Foreign Ministers, who instructed their permanent ambassadors at Nato headquarters here to do the detailed preparatory work.

"We have a range of detailed measures on the stocks," one source said. "They involve a mixture of diplomatic, political and economic sanctions, and are being constantly updated. The particular measures chosen would depend on circumstances at the time."

Much importance is attached at Nato to keeping the Soviet Union guessing as to the exact nature of a Western response; direct military action is ruled out, though a stepped-up rearmament programme would certainly be one outcome.

An emergency meeting of Nato Foreign Ministers would be held within 48 hours of Soviet intervention in Poland, and action would be taken on the basis of the options outlined by their ambassadors.

With the disappearance of a second mentally-retarded man, police in Atlanta, Georgia, fear that the recent murders of black children in the city may have taken a disturbing new turn.

The force set up to investigate the murders and disappearances announced yesterday that they had added the name of Mr Larry Rogers, a retarded man, aged 21, to their list because of similarities between his case and some of the others. The number of cases now stands at 25, with 22 deaths and three disappearances.

According to the police, Mr Rogers, who is described as slightly retarded, probably got into an estate driven by a black man with long black hair and what looked like a false moustache.

On the day that Mr Rogers disappeared, the body of another mentally-retarded adult, Mr Eddie Duncan, was pulled from a river not far from where the body of a 13-year-old child had been found the day before.

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Finns sensitive over Nato 'encroachments'

From A Special Correspondent
Helsinki, April 7

Out in the Gulf of Finland there lies an island called Bogskär, a black, frost-encrusted rock, the kind of freezing oceanic protrusion upon which navies plant flags to test the mettle of their younger cadets.

Bogskär has, however, acquired a different kind of notoriety over the past few weeks as West German and French military aircraft, surveying the Soviet Navy's wanderings in the gulf, fly above the ice towards Leningrad.

As the crisis in Poland has heightened, so the Nato and Nato-associated countries of West Europe have become more interested in Soviet naval activity and particularly in the movements of the giant aircraft carrier Kiev.

As they will have observed, the Kiev remained resolutely in the port of Leningrad; but the Finns, ever conscious of their Soviet-observed neutrality have taken exception to the allied flights up international waters.

Twice, without publicity, but with discreet reference to the media powers involved, they have formally protested to the



West Germans and French about encroachments on Finland's sovereign territory. The piece of Finland which has been aeronautically infringed, of course, is the gloomy mass of Bogskär. No one has taken the business too seriously; but the Finns have made their point.

The Nato powers put such sensitivity down to the notion that Finland's proximity to the Soviet Union, not to mention its unhappy alliance with the Third Reich in the second half of the Second World War, has placed it in a position of unacknowledged but genuine subservience to the Russians.

After all, they ask, what else can Finland do but complain about Nato's belligerence when its treaty of friendship with the Soviet Union permits the Russians to give it "the help

required" to fight off an aggressor.

The latest stage in Poland's political revolution happens to coincide this week with the thirty-third anniversary of that controversial, but unviolated, treaty and, further down the Baltic coast, Finns have been asking themselves just how cloying a commodity Soviet friendship might be.

The Warsaw Pact manoeuvres from Tallinn down to the Polish border have been watched with cold detachment by the Finnish military authorities although the country's communists have been acutely aware of the counter-productive effect the operations may have in Finland.

It is perhaps not surprising that the Helsinki Swedish-language community journal *Ny Tid* has just published a long article purporting to give details of a Nato war game in which Western and Soviet armies fought bloody battles across the Finnish "lake district", the swathe of fissured mountains and lakes north of Helsinki.

According to the paper, which allegedly takes its information from an Italian source—

a Nato computer in Brussels suggested an exercise code-named *Clamor*. 81 last month a confrontation between the Warsaw Pact and the North Atlantic Treaty Organization led to a general mobilization in Europe.

According to the paper, the Russians faced Nato armies in Yugoslavia and along the northern Norwegian border—all the way to the Arctic circle, the way to the Arctic circle, the way to the Arctic circle, the way to the Arctic circle.

That, *Ny Tid* comfortably concluded, proved "how the Nato generals play with Europe and the world."

In a country which still respects the Soviet Union's independence when the rest of East Europe has fallen under Russian domination, such fears might be expected to gain some credence. But Finland, while it may show rather too much deference to Russian sensitivities, is probably too proud of its freedom to compromise itself.

After all, the Finnish Government has reiterated its belief that Poland's problems should

be solved by domestic means "without outside interference" and Finnish newspapers have carried far from uncritical articles from Warsaw on the strange new form of labour movement that has been created by Mr Lech Walesa.

Poland's crisis has begun to affect Finland economically—80 per cent of its coal came from the Polish fields and the entire supply has been temporarily cut off—and the Finns are aware that Polish refugees just might come drifting up the Baltic towards them.

It is true that the Finns cannot be expected to raise their voices if the Russians invade Poland. They are in no position to break off diplomatic relations with the Russians in the unlikely event that they should want to do so; and Marshal Mannerheim's instinctive understanding of Soviet strategic fears has been passed on to his political descendants.

Finnish television broadcast its own production of *The Good Soldier Schweik* not long ago and the adventures of that Czech warrior's consistently brave acceptance of adverse conditions turned the serialized drama into an overnight success.



President Brezhnev of the Soviet Union (centre) receiving a standing ovation at the Czechoslovak party congress in Prague yesterday from (left to right) Mr Milos Jakes, Mr Antonin Capek, Mr Václav Hula, Mr Peter Colotka, Mr Alois Indra, Mr Vasil Bilak and Dr Gustav Husak.

Mr Brezhnev reaffirms his trust in Polish communists

The following is the partial text of the speech delivered by President Brezhnev at yesterday's session of the Czechoslovak Communist Party congress in Prague as supplied by the Novosti Press Agency:

Comrades, this year you will also mark the sixtieth anniversary of the foundation of the Communist Party of Czechoslovakia. Your party is approaching its jubilee as a militant and mature social force that has accumulated a wealth of valuable experience of political struggle, of management of society. This experience is the guarantee of successful socialist construction in Czechoslovakia itself. It is also of great significance to other parties, to the international communist movement as a whole.

This experience includes... the victory over the forces of counter-revolution in 1968, the capability to draw profound political conclusions of durable significance from the events of that time—this is also a great contribution of the Czechoslovak Communists to the development of the world revolutionary process, the great service to all the fraternal countries.

The Communist Party of Czechoslovakia is now confidently leading the Czechoslovak people along the lines of building a mature socialist society. Cardinal problems of your country's social and economic development are resolved in a socialist way. You have ample grounds to take pride in the level of the material well-being of the masses, believed in Czechoslovakia.

The countries of the socialist community resolve versatile and, naturally, increasingly deeper and more complicated tasks on the path of the further development of the society of mature socialism. And we have to do it in the conditions of mounting opposition and, sometimes, openly hostile

actions on the part of the most aggressive forces of imperialism. We, in the Soviet Union, recently put forward at the twenty-sixth congress of our party a number of absolutely concrete proposals aimed at solving the most acute and urgent international problems in the interests of peace and security of all peoples. They are being realized throughout the world and evoked a positive response on all continents.

Here, in the centre of Europe, I would like to dwell on just one of the new Soviet proposals. The unbridled nuclear arms race in Europe is becoming increasingly dangerous for all European people. In order to start in some way the practical solution of this problem, we propose that, for the time being, at least, a line be drawn under what exists, that is to put an end to the further deployment of new, and replacement of both Soviet and Nato medium-range nuclear missiles stationed in Europe.

This includes, naturally, the American nuclear forward-based systems in that region. The moratorium can be valid until a permanent treaty is concluded on the limitation and, better still, on the reduction of the above-mentioned nuclear means of both sides in Europe.

Naturally, our proposal for the moratorium is not an end in itself. It has been made in the intention of creating a more favourable atmosphere for talks. We regard as the objective in this regard as stated this before and repeat it now—precisely the reduction by both sides of the amount of nuclear means stationed in Europe. It has been made in the intention of creating a more favourable atmosphere for talks. We regard as the objective in this regard as stated this before and repeat it now—precisely the reduction by both sides of the amount of nuclear means stationed in Europe.

It is alleged the new Soviet proposal has the aim of consolidating a supposed advantage of the forces of the Warsaw Treaty member-countries. This is certainly not so. I spoke about this in detail at the twenty-sixth Soviet party congress.

If one casts a glance at the Soviet potentials which both sides now have in the area of Europe, what is obvious is the approximate equilibrium of the forces of both sides. That was by the way, repeatedly admitted in the West.

The Federal German Chancellor, Schmidt, for instance, in one of his public speeches in February this year, denied that the East-West equilibrium of forces in Europe had been violated. The Chancellor, however, expressed the apprehension, that the Russians might be on the point of violating it. The United States Secretary of State, Haig, also recently spoke about "the relative equilibrium and parity" of the forces of both sides.

With such an appraisal of the present-day situation and prospects of its development, leaders of Western countries should logically have jumped at our proposal. Instead, some of them are trying to diminish its significance, certainly not because the correlation of forces in Europe changed in a few days. They are doing so, since they would like to change it in Western favour and are unwilling to bind themselves with a moratorium.

But such attempts—and this should be clearly understood—will only impel the other side to take military steps. A vicious circle will be witnessed again—the situation in Europe will become more precarious to all. It is so difficult for the governments of Western powers to understand that? On the whole, comrades, our proposals mean settlement of the

most topical international problems, which are of paramount significance for the consolidation of peace. We propose that the parties concerned should have business-like, constructive negotiations on these issues—at any level, without any preliminary strings attached. If anybody has other reasonable proposals, we are ready to consider them also.

But, frankly speaking, for we do not see a particular readiness for negotiations on the part of the governments of Western powers.

Meanwhile they demand as "payment" for the Western consent to negotiations we should stop considering the interests of our own security and give no assistance to our friends when they are subjected to aggression or a threat of attack. A strange stand, to say the least.

Let's suppose for a minute that the Soviet Union should declare before opening negotiations on settlement of some overdue international problems, let the Western powers change their policy in the sphere which we, and many others, definitely do not like. Say, let the United States first withdraw its troops from such and such countries, from such and such military bases abroad. And let it terminate support to and the arming of certain dictatorial terrorist regimes.

Would anybody seriously accept such an approach in the question of negotiations? That is hardly possible. We would be called simpletons. The experience of history, including the past decades, convincingly says: success in talks between states comes only when attempts to dictate its terms to each other are discarded, when there is a real will for peace, and mutual respect for the parties' interests. It is precisely on this point that major international agreements, which helped consolidate peace and peoples' security have been achieved.

Police fear new turn in child killings

From Our Own Correspondent
Washington, April 7

With the disappearance of a second mentally-retarded man, police in Atlanta, Georgia, fear that the recent murders of black children in the city may have taken a disturbing new turn.

The force set up to investigate the murders and disappearances announced yesterday that they had added the name of Mr Larry Rogers, a retarded man, aged 21, to their list because of similarities between his case and some of the others. The number of cases now stands at 25, with 22 deaths and three disappearances.

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Protesters against nuclear weapons at the opening of the Nato defence meeting.

Nato exhorted on US nuclear missiles

From Frederick Bonnard
Bonn, April 7

The need to maintain the programme for the installation of American medium-range nuclear missiles in Europe was the main thrust of a statement made by Mr Caspar Weinberger, the American Secretary of Defence, at the opening of Nato's nuclear planning group here today.

He said the new Administration considered the balance of forces to be shifting in favour of the Soviet Union and that they intended to try to halt and reverse this trend.

The meeting is being held in the West German Ministry of Defence. Demonstrators screamed slogans, blew whistles and beat drums when the ministers arrived.

Although officials said there was no divergence of views about the arms control aspect of the theatre nuclear weapons programme, there were differences in nuance between the Europeans and the Americans.

Mr John Nott, the British Defence Secretary, said Soviet intervention in Poland would mean the end of détente, but that arms control would con-

tinue, even if in a different way, while American officials considered that in this event arms control negotiations "would be undermined."

However, there was agreement that the Soviet proposal for a moratorium on medium-range missiles was unacceptable, as it would freeze the alliance in a position of inferiority.

British and American officials emphasized that both parties within the alliance had had an opportunity to understand each other's problems on arms control negotiations and were able to deal with them.

De Beers denies secret gems deal with Russia

From Eric Marsden
Johannesburg, April 7

Allegations made on *Panorama*, the BBC television programme, that South Africa and the Soviet Union were collaborating clandestinely to control the world market in diamonds, gold and platinum were politely rebuffed by De Beers, the South African diamond producer, in Kimberley today.

Mr George Louw, a spokesman for De Beers, said there was "never heard" of an agreement with the Russians under which his company undertook to buy most of the Soviet production of rough diamonds, nor did he know of any negotiations to draw up a new agreement.

Mr Louw had also not heard of a last-minute cancellation of a visit to Moscow by Mr Harry Oppenheimer, chairman of the Anglo American Corporation, of which De Beers is part.

Mr Oppenheimer last night dismissed this story as an attempt "to cook up something where there really isn't much to cook." He also said: "Anglo American certainly does not have any secret deals with Russia."

Mr Gordon Waddell, an

Anglo American director who was said by *Panorama* to have been seen with Soviet officials at a Moscow opera performance last November, said there was no truth in the "sinister and spectacular" inferences being drawn from his visit to the Soviet Union.

Sources close to the diamond industry in Johannesburg said that the BBC reports were partly an embellishment of press reports which had claimed evidence of cooperation between South Africa and Russia over precious and strategic minerals, of which the two nations have a near monopoly.

In December, 1979, the *Sunday Times* said that uranium from the Rossing mine in Namibia was being processed by Russia into usable reactor-grade uranium. The paper added that the South African Government was not party to this arrangement, but was aware of it.

It was alleged that the Soviet Union had made a deal with the Shah's Government in 1975-76 to enrich the Rossing uranium for Iran, and that it was also enriching Rossing uranium for West Germany.

30 shot in San Salvador

San Salvador, April 7.—Two car loads of men in uniforms and civilian clothes drove into a poor suburb here early today and pulled 23 people from their homes and shot them on the streets, while seven other people were killed in their homes, witnesses said.

Residents said the National Guard and policemen were the killers. The military authorities said they had heard there was "some disturbance in the area" and were "investigating."

The killings were the latest in a series of attacks which have claimed 5,000 lives this year, according to El Salvador's Human Rights Commission.—A.P.

European MPs refuse to boost their own spending

From David Wood
Strasbourg, April 7

Proposals from the managerial bureau of the European Parliament to increase its own expenditure in parliamentary spending next year ran into strong opposition today both from the budget committee and rank and file members.

By majority decision, the budget committee rejected the proposals for a 10 per cent increase in parliamentary spending next year into strong opposition today both from the budget committee and rank and file members.

Conservatives in the European Democratic Group took a prominent part in the demand for a Glendonian candle-ends economy for the Parliament.

Mr John Mark Taylor, Midlands East, the group's deputy leader, welcomed the defeat of the managerial bureau's proposals.

"Allowing for inflation we have achieved an actual reduction in the Parliament's budget. It is

the right sort of discipline a gives us the moral authority to tackle other spending proposals which have doubtful value."

Senior members of the parliamentary staff react with horror to any such cuts in their own budgets and documents must be translated.

The president, vice-presidents, and group leaders will form the managerial bureau also snarling from a defeat that bursts their self-esteem, and hinders their ambitions to develop the European Parliament.

In 1980 the European Parliament cost £70m, and in 1981 the cost is estimated at £120m with interpretation and translation accounting for 40 per cent of the totals.

It is not unknown for two million pages of documents to be produced during one night in seven languages.

Compromise called for to end Canada debate

From John Best
Ottawa, April 7

Proceedings in Parliament were suddenly adjourned this afternoon to permit House leaders to discuss a possible compromise formula for ending Canada's great constitutional debate.

The one-hour suspension was unanimously agreed upon after another extraordinary negotiating session on the Commons floor—the second in four days—between Mr Pierre Trudeau, the Prime Minister, Mr Joe Clark, the Conservative Opposi-

tion leader, and Mr Ed Broadbent, leader of the New Democratic Party.

The unexpected events came a day after the Liberal Government's decision to impose closure to hasten the progress of its embarked constitutional resolution through Parliament.

Whether the threat of closure is to be lifted depends on the outcome of the House leaders' meeting.

The details of the compromise discussed on the House floor are to be worked out in inter-party negotiations.

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PARLIAMENT, April 7, 1981

Government not planning action in wake of court ruling on paying for school music lessons

House of Commons

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Circular to be issued on school curriculum

The Department of Education and Science is to issue a circular to all schools on the curriculum. The circular will set out the Government's policy on the curriculum and will require schools to comply with it.

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More than £300m to help jobless youngsters

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Labour councils accused of being big spenders of other people's money

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Manchester marchers must give notice

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EEC textiles crisis: stability needed by ten year agreement

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No changes in LEAs

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Government gets its way on business names register

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Student loans

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Purchase of flats

The purchase of flats will be made easier for first-time buyers. The Government will provide financial assistance to first-time buyers.

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Science report

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Contraception: Congenital abnormality

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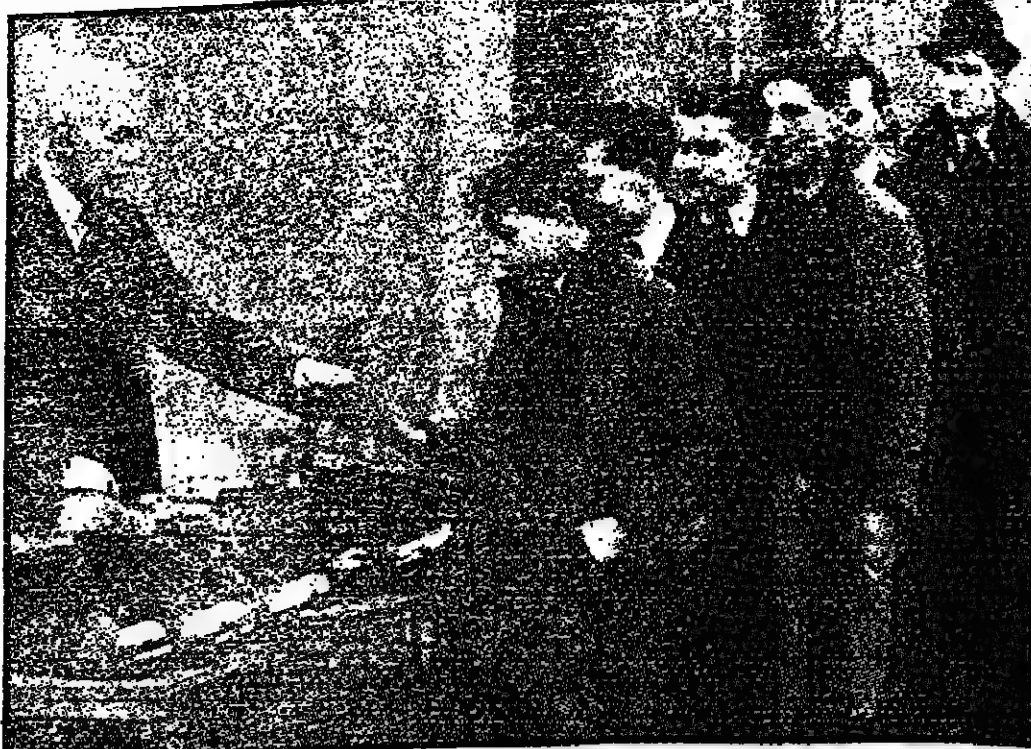
CITROËN CX

**"IF ONLY THE
CITROËN CX
CAME WITH
A FULLY
AUTOMATIC
GEARBOX, I'D
HAVE ONE."**

"What colour would you like?"



THE CX 2400 DILLAS WITH FUEL INJECTION AND FULLY AUTOMATIC 2F GEARBOX £9559.28; CX PRESTIGE £12,290.14. PRICES INCLUDE CAR TAX, VAT AND INERTIA REEL SEAT BELTS, BUT EXCLUDE DELIVERY CHARGES, £200 AS (INC. VAT) AND NUMBER PLATES. PRICES CORRECT AT TIME OF GOING TO PRESS. SEE YELLOW PAGES FOR YOUR NEAREST DEALER. CITROËN CARS LTD., MILL STREET, SLOUGH SL2 5DE. TEL: SLOUGH 23808.



and Benja boys preparing to go down the mines

*The author is Conservative M
for Stafford and Stone.*

"Power", one FDP leader said, "is a very strong glue. It is often stronger than the pieces

A London ambulance spotted yesterday carried the bold sign "Demonstration vehicle." On standby for the next Trafalgar Square rough house, perhaps.

Alan Hamilton

Alan Hamilton



POLAND YOU HAVE BEEN WARNED

Prague's spring came early 13 years ago when Mr Dubček introduced his "socialism with a human face". Before that summer was out, however, Czech hopes were crushed under the tanks of Mr Brezhnev's tanks. It is thus particularly fitting that Mr Brezhnev should now choose to go to Prague to utter another warning to Poland: to put a house in order or face a fate similar to Czechoslovakia, Hungary and Afghanistan. That fate, after all, is the fate of the Soviet Union which has the misfortune to be socialist, and therefore to qualify as a victim of the 1968 Brezhnev doctrine, which invited Soviet tanks to go in where they pleased to defend "Socialist Commonwealth" from collapsing under the force of its own contradictions. In his speech Mr Brezhnev spoke of the "rich cultural heritage of your people", when the most evident cultural tragedy of Czechoslovakia is that the whole generation of 1968, which had the vision and the will to reform socialism from within, was crushed instead into exile or Mr Husak's fails.

Turning to Poland, his suit was less obvious, though his comments were menacing. He spoke of the "class enemies", using a term which could be interpreted as referring to the "class enemies" in the Soviet Union and eastern Europe, but already given quite sufficient evidence of its own decay. He observed that Poles should be able to uphold the cause of socialism, relying as ever on external help from the Soviet Union, Czechoslovakia, and those other countries who had deemed it necessary to send

their soldiers into Prague, and are clearly ready to do the same in Poland should their Moscow commanders give the word. The question now is where does Mr Brezhnev's speech leave the Poles, after the invasion of Poland, the West, the compromises in Warsaw, and the spectre of insolvency? In December the Warsaw Pact troops were brought to a state of readiness to intervene in Poland whenever they were given orders to do so. Since then the military option, though not exercised, has remained available at all times. The reason why Soviet leaders stood off in December remains the same today—that they would prefer the Polish Communist Party itself to restore control in Poland. However, in the face of evidence that the Poles cannot or will not do so, the higher purposes of the Brezhnev doctrine will have to be invoked, and the tanks would roll again. Within Poland, Mr Kania has so far shown a flexibility which has kept the crisis in proportion. A dialogue is taking place between the independent trade union organization, Solidarity, and the government, from which all Poles will eventually benefit. They will benefit both in the fact that the authority of the Communist Party to impose its monopoly of power on Polish society will be lightened by the existence of an alternative institution such as Solidarity, and the search for an economic policy which will stave off Poland's impending collapse and possibly discover some method of regeneration. That dialogue is not, however, taking place in a strategic vacuum. The mere existence of an institution such as Solidarity is anathema to the Marxist mind.

Deep in the ideology of communism there is an abhorrence of a pluralist society. Yet that is what is beginning to emerge in Poland—unless it is stifled in its infancy—in the heart of Eastern Europe, across the Soviet Union's vital lines of communication to East Germany and her strategic defences. In December Mr Kania was put on probation by his allies. He is still on probation, but his chances of pulling it off look worse now than they did in December. Poland has already created a dangerous precedent by allowing even one day to pass—let alone eight months—without striking down Solidarity's pretensions to be an alternative source of power and influence within a communist society. Each day that passes with that precedent intact can only undermine the position of communist parties in every other East European country—including the Soviet Union.

Mr Brezhnev's speech, therefore, should not be regarded with optimism in the West, simply because it has given the Poles breathing space. It can hardly give them hope, since if that breathing space is not to be used to smother Solidarity, then neither Mr Kania nor the Polish people may be allowed much more time by their allies to resolve their differences themselves. Mr Brezhnev's reference to 1968 made it clear that, though the Warsaw Pact manoeuvres in Poland ended officially yesterday, the harassment, intimidation and pressure on Poland of the past few months—as on Czechoslovakia in 1968—will undoubtedly continue until Mr Kania does what he is told, or an alternative and more obedient leadership in Poland can emerge.

PARLIAMENT AND THE LANGUAGE OF PRAYER

1974 Parliament divested itself of legislative responsibility, the doctrine and public worship of the Church of England—most but not quite. It made permanent an earlier grant of temporary powers by which the church, through its own procedures, could authorize forms of service other than those prescribed in the Book of Common Prayer of 1662. There were two reservations. Any new services had to fulfil the condition that they were neither contrary to, nor indicative of, the doctrine of the Church of England in any essential matter. Let Parliament, anybody else, should be given scarcely possible task of judging on what is or is not conformable to the doctrine of the Church of England, it was noted that whatever received final approval of the General Synod should be deemed to have fulfilled that condition. The reservation was that the forms of service contained in the Book of Common Prayer would continue to be available in the Church of England, available for use does not mean use, as has become painfully apparent.

According to the present rules incumbent and the parochial church council together make selection from the lengthened à la carte menu of authorized

forms of service. Ecclesiastical democracy has some of the same limitations as trades union democracy: the shop stewards and those who attend meetings decide things with a freedom that bears little proportion to the typicality of their opinions. By a conspiracy of enthusiasts, as some think, or by default, as seems more likely, the Prayer Book is falling into desuetude. And very many members of the Church of England are very unhappy about it.

Today attempts will be made in both Houses of Parliament to get a Prayer Book Protection Bill off the launching pad. The Bill would introduce a modest amendment to the effect that 20 people on a church electoral roll may together require the incumbent to see that on at least one Sunday a month the principal morning service is taken from the Prayer Book. Its adoption would mean that part at any rate of the old liturgy was not merely available for use but available for attendance, which is what really counts.

If Parliament were to be seriously tempted to take the measure up it would undoubtedly precipitate a disestablishment crisis. The Church of England's sensitivity on the subject has been evident in the last week over the matter of the London mire: That is only a pinprick compared to resumption by Parliament of an ambition to regulate the worship of the Church of England. But if it would be imprudent of Parliament to espouse the Bill, it would

be just as imprudent of the bishops and the synodical apparatus of the Church to brush it out of the way.

There is a wide and profound unhappiness about the relegation of the historic liturgy of the Church of England. It is fed by many tributaries. For some, it seems the wanton abandonment of a priceless endowment, as if the Church were to demolish its cathedrals to take to civic centres. For some, the language of the Prayer Book is the language of prayer, expressive of doctrinal and devotional meaning precisely because it is fixed, customary, timeless, apart from everyday use, and resonant of the piety of past generations. For some, loss of the liturgy means loss of the sense of history, loss of one of the dimensions of faith. For some, particularly the elderly who were nourished by the public worship of the Church, not to be able to find the familiar and to them sacred forms is a sharp and cruel penalty.

None of this is to decry the merits, conveniences and appropriateness of the various alternative services the Church of England has evolved; or to deny that many much prefer them. But unless the Church takes more seriously the commission it received in 1974 and keeps the Book of Common Prayer in use as well as for use, it will carelessly abuse many loyal sons and daughters and deprive a new generation of acquaintance with an undignified, stilted, devout and valid liturgy.

COOLING THE LEBANESE CAULDRON

It is difficult to apportion blame for the current crisis in Lebanon. Haig, reaching for conspiracy theories, suggests that the Russians have encouraged the Syrians to attack Christian areas in northern Lebanon, in order to distract world attention from Poland. The Soviet Union is certainly capable of giving a diversion of this kind. There are enough explanations for the tragedy of Lebanon to be found in the country itself, without going to look elsewhere. It is to be forgotten that what raked off the 1975 civil war the massacre of Palestinian refugees by right-wing Christians. On this occasion, the last days of heavy fighting are direct result of an attempt by the Christian militia to open a road just outside the town of Tyre, east of Beirut. Although it is a Christian-dominated area, the surrounding Beqaa Valley is considered by Damascus to be of strategic importance. Exchanges of fire between Christians and Muslims exploded the present dangerous situation.

The Syrian behaviour cannot be excused and Mr Haig was right to speak of Syrian "aggression". The intervention of Syrian troops in 1976—subsequently legitimized as an "Arab Peace Force"—had some justification. At that time the extent of suppressing PLO left wing Muslim forces in the seemed to be gaining the upper hand. But many issues have come to regard

the Syrians' peace keeping role as a pretext for Damascus's real aim, the domination of Lebanon. Right wing Christians of the Phalange militia have hinted at the possibility of a separate Lebanese Christian state. If it were not for the Syrian presence, they say, the PLO would by now have been annihilated by the increasingly powerful Phalange forces.

The best way to avoid any such partition of Lebanon is to bolster the authority of the central Lebanese Government, which in the tradition of Lebanese tolerance contains Muslims, Christians, and minorities such as the Druze. The main problem is that the Lebanese Army, on which central authority ultimately rests, was shattered by the 1975 civil war, and has not yet been rebuilt to the point where it can exercise effective control.

The United States, which has been helping the re-building process, now finds itself in a dilemma. The Lebanese Army would like to be able to extend its jurisdiction to the areas of Southern Lebanon controlled by the PLO and the Christian militia of Major Saad Haddad. The Lebanese Army is supported in this by the United Nations forces which for the past three years have been trying to keep the Syrian-backed PLO and the Christians apart. The Haddad forces, however, are supported by Israel, as indeed are Christian forces in the North. The massacre of Christians reinforces the desire of the Israelis to push

north of the Litani River and go to the aid of their Christian allies.

The argument advanced by Israel is that if the PLO were not in Lebanon in the first place, the conflict would not be so explosive, and Muslims and Christians would be left alone to work out their own destiny. There is a great deal of force in this. The PLO say (and the Syrians agree) that they are in Lebanon because they were banded out of Jordan in 1970. But they have shown scant regard for Lebanese sovereignty, let alone the Lebanese people, and pose an undoubted threat to Israel's security.

In the short term, the restoration of calm—or relative calm—will depend on the ability of the Syrian Army and the Christian militia to exercise restraint. In the long term, the Lebanese solution must be in the attainment of a peace settlement in the Middle East as a whole. A settlement of the kind the European powers are seeking would make it much more difficult for the PLO to justify using Lebanon as a haven. It would thus make it difficult for Israel to justify mounting raids into Southern Lebanon, and for the Syrians to justify keeping 22,000 troops in the country. The fact that Lebanon has erupted during Mr Haig's Middle East tour may be fortuitous, but should serve to remind the Secretary of State that Lebanon and the search for a wider peace are directly connected.

Status of religious charities

From Mr Nicolas Walter
Sir, Mr W. G. S. Massey (April 6) calls for a change in the law of charities for the advancement of religion. Surely the first question is not how such a law should apply to religious organizations in various ways, but why it should apply to religious organizations in any way. Why should the advancement of religion be considered a charitable object at all, in a pluralist society where religion is itself a controversial issue, when the advancement of other equally reputable systems of belief is not? Why should the advancement of humanism, secularism and rationalism as practised by the British Humanist Association, the National Secular Society, and the Rationalist Press Association have legal and financial privileges on the same level as the advancement of any form of religion? Yours, etc., NICOLAS WALTER, Editor, *Humanist*, 88 Ilington High Street, N.1, April 6.

From Mr G. P. Morgan-Jones
Sir, Your leader and Mr Massey's letter (April 6) dealing with the Charity Commissioners' ruling that the two organizations under the umbrella of the Unification Church are properly registered charities, and that they have no powers to refuse registration on the grounds that unsuitable persons are in the ranks, is most welcome. It is a pity that the Charity Commissioners' register a charity it does not automatically follow in every case that the Inland Revenue will treat the charity's income as tax-exempt.

The Charity Commissioners are bound to register a charity if its objects are exclusively charitable, and they have no powers to refuse registration on the grounds that unsuitable persons are in the ranks, or that the charity is in the hands of a registered charity on the grounds that such funds have not been expended for a charitable purpose (section 360, Income and Corporation Tax Act, 1970). In such cases the charity can appeal to the High Court.

There is thus a recognized duty on the part of the Inland Revenue to monitor the proper use of charity funds. Possibly, in the case of the Moonies, it might be held that the expenditure of their funds was not for a charitable purpose. In 1976 the Goodman committee reported on the effect of charity law on voluntary organizations and made a number of valuable recommendations but so far the Government have taken no action. More recently, the Institute of Chartered Accountants in England and Wales have published a new guide to charity accounting methods, to which reference was made in your issue of February 27. This book reveals how misleading some charity accounts are and sets out guidelines for more consistent practice in their preparation.

It would appear, therefore, that a complete overhaul of charity law is long overdue, as Mr Massey says in his letter, and the sooner that Parliament puts the matter in hand the better. Yours faithfully, G. P. MORGAN-JONES, 25 Lewes Road, Eastbourne, East Sussex, April 6.

Close circle
From Mr Bernard Donoghue and Mr Joe Haines
Sir, Sir Harold Wilson states today (April 7) that "about four people knew of his intention to resign in March 1976". I am, Sir, his wife, his political secretary, and Mr Speaker.

In January, 1976, we drew up a list of the people who, to our certain knowledge, knew of Sir Harold's intention. It contained 22 names (but not Mr Speaker, his wife, his political secretary, and Mr Speaker).

That the secret did not leak to the media is a reflection of the loyalty, affection and discretion of his aides, officials, and sundry other legal, royal and political persons who were involved.

In government it is always prudent to assume that more people know what is going on than you think. Yours faithfully, BERNARD DONOGHUE, JOE HAINES, 7 Brookfield Park, N.W.5, April 7.

Constant nymph

From Mrs Geoffrey Pearson
Sir, Will the tremendous public response to the London Marathon race inspire someone to revive the Great Swim through London—as this event was headlined in 1907, 1908, 1909, 1910 and 1911?

The great swim took place from Richmond to Blackfriars Bridge, a distance of 14½ miles. In 1907, 33 swimmers started, but only 20 completed the course. Competitors included champions from Europe as well as Great Britain. The winner's time was 3hr 24min 53sec. Among those who completed the course was a Miss L. Smith, aged 18, who managed to finish fourteenth. Numbers of entrants increased for several years, but by 1911 interest was beginning to wane and the race was not repeated.

The indefatigable Miss Smith continued to compete for several years and finish the course within the five to six hour time limit. It is perhaps not surprising to learn that she was a member of the Ladies' Perseverance Swimming Club, even though history tells us that the club was named after a ship and not for the swimmers.

Yours faithfully, JOAN PEARSON, 5 Beechwood Road, Sandstead, Surrey, March 30.

LETTERS TO THE EDITOR

Counting the cost of monetarism

From Professor Harry Townsend
Sir, I do not mind Professor Hayek (April 4) consigning me to a lost generation of Keynesians but he should not escape responsibility for who lost me! I, along with a number of other signatories among the 364, was, at a happy time, among his audience.

What I do object to is his writing from Freiburg in support of a policy which assumes that unemployment will rise in Northern Ireland from 17½ per cent to 20 per cent by the end of the year. It is hard to think what it is like flying to Northern Ireland? Being frisked before leaving, having the plane searched half-way on the Isle of Man, being greeted by soldiers with guns at the ready, finding shopping streets lined with oil drums to prevent anyone parking a bomb-car, having the centre of the capital city wired off to keep out terrorists?

Such conditions serve a visitor who is just a few of the inconveniences of life in this part of the United Kingdom. Such conditions are not caused by economic circumstances, but increasing unemployment does not contribute to their resolution.

Moving to the mainland, has he thought about new towns like Kirby that have experienced unemployment over 20 per cent, where flats built only 20 years ago have been pushed by vandals? Victims of the Lanchester I cannot help thinking what the current policy means for people in the inner cities of Liverpool and Manchester, in Lancaster, Preston, Blackburn, Bolton and so on.

It is not difficult to see that a deep enough slump will wipe out inflation along with much else; but what after that? We shall still have 20 per cent of the population employed by central government, local government and the nationalised industries. The monopoly power in some sectors and competitive vulnerability in others. We shall still need to find a better way of agreeing incomes than any we have achieved so far.

Possibly we will recognize that North Sea oil has diminished, perhaps removed, the balance-of-payments constraint on our policies. Possibly we will recognize that we are potentially wealthier, better able to afford things, than ever before.

Professor Hayek is unfair to a number of the signatories in suggesting that they cannot specify their own views. It might well be argued that some of them have offered too many methods already. In my own case I support the Government's objectives of a steady value for money and less public involvement in the economy. I think that we should bring the policies of the last two years upon ourselves much more than had then imposed; but before the Chancellor got to work with his tax-cutting more the annual rate of inflation had been reduced to 7 per cent. Another 5 per cent could have been lopped off for the time being by reducing VAT to 10 per cent.

We would still have had a lot of downward pressure on spending in the economy at the end of the year, but output, employment and prices would all be moving in the right direction. We would not have had things better for ever; but 1981 and 1982 would provide a better basis for our future endeavours, and we would be spared the continuous pleas that we can no longer afford to support the public services if it is on behalf of the physically or politically weak.

A good many of the signatories of the Cambridge letter must have been surprised at the company they found themselves in; but, surely, all schools of thought are agreed that economic growth has the effect after a time-lag, and it is not too difficult to conclude from this that the time has come for a change. We need a proper U-turn—an upturn. Yours faithfully, HARRY TOWNSEND, University of Lancaster (Department of Economics), Gillow House, Lancaster.

Broadcast news 'bias'

From Mr Peter Dodson and others
Sir, May we comment on a report in *The Times* (April 6) on a letter sent to the broadcasting authorities by MPs and trade unionists about distortion and bias in the media? As the elected representatives of 3,000 journalists in broadcasting we were asked by the Glasgow Media Group to sign the letter. We refused for several reasons.

We felt that although the Glasgow Media Group had raised valid and interesting points, they had recently started to assume the attitudes and values of a political pressure group, and one at that which directed criticisms against our members.

2 Some of their research was poorly done and displayed a surprising lack of knowledge of the different programmes and outlets in broadcasting. And some important material was ignored.

3 In their most recent survey we felt that they had proceeded to a conclusion from a predetermined position, thus adopting the stance of which they accused our members. In other words, they were biased.

Let it be remembered that from the 1949 Winter Exhibition at the Royal Academy only three pictures were omitted because of their poor state. A generation in store has increased the casualties to an unspecified number sufficient to pre-

Counting the cost of monetarism

From Mr Martin Rudd
Sir, The letter from the five economists at Nuffield College and your own leading article on the recent statement from 364 others (both on March 31) recall how, by the 1970s, the United Kingdom was no longer succeeding in combining low rates of unemployment and of inflation. Indeed, it was Professor Joan Robinson (one of the 364) who was the first to predict this as a likely outcome after Keynes's General Theory had been published in her 1937 *Essays on the Theory of Employment* (pp 30-31) she foresaw that, in the long run, a "policy... to maintain... high... employment... if Trade Unions are powerful... will entail that employment lies above the... critical level at which money wages rise and... prices... move constantly upwards. The policy... will... entail a cumulative increase in the quantity of money" and "can be secured at the expense of a constant depreciation of money" only.

Even the Prime Minister would hardly say this as forcefully. The result thus foreshadowed materialized over 30 years later—after some 25 postwar years in many of which there had been clear prospects (1) of employment above that "critical level" set by the psychology of the time, (2) of consequent labour shortages and (3) of any rise in individual costs or charges (up to the current UK average rate of increase) being able to be absorbed, without any really large section ever pricing itself out of any really substantial market. In terms of the analysis quoted earlier, the first of these three factors may have been crucial.

In those terms of Professor Joan Robinson's, Mrs Thatcher's present key policy of pre-announced restraint of money demand to abate inflation might be described as one of seeking to raise the (psychologically critical) Robinson level that employment can be by definition attain perhaps for many years, without setting off a cumulative process of inflation. (Something like a rise from, say, 90 per cent today to a figure much closer to 97 per cent is in mind.) Both may find this interpretation embarrassing and may therefore resist it strongly. But if some of the actions of the one can perhaps be justified in terms of the analysis of the other, the UK might be well on the way towards the economic consensus and common sense which your leading article has suggested.

Yours faithfully, MARTIN RUDD, 48 Willow Road, NW3, March 31.

From the Presidents of the Institutions of Civil, Municipal and Structural Engineers

Sir, In the light of the national unemployment situation and the increasing amounts of public money that are required to support the unemployed, we urge the Government to consider taking immediate action to implement an expanded programme of public works which will provide jobs without having a markedly adverse effect on inflation.

What we have in mind is an early go-ahead for a wide range of projects selected on the basis of their intrinsic importance which can be shown either directly or indirectly to create additional employment and which can be implemented quickly. These projects must be in addition to the present greatly reduced capital programmes.

Such an expanded programme would be an investment in the future of our country yielding its return over time, provide a greatly needed stimulus for development, and, for the most part, reduce the costs of industry. Yours faithfully, P. A. COX, M. R. HORNE, S. N. MUSTOW, as from: Institution of Civil Engineers, Great George Street, SW1.

The National Union of Journalists has always argued for wide debate on issues of press freedom and we shall play our part in what that is arranged now. But we would remind you that we have already sponsored a series of discussions within the BBC and IBA and have had some recent success in influencing the conduct of the broadcasting authorities.

We believe that the only effective set of guidelines for journalists is the NUJ code of professional conduct. And it provides the best protection for the public.

We believe that the trade unions, using this code, and working with our members in broadcasting can bring about genuine improvement in standards.

We trust that our colleagues at the TUC will consider this as a more appropriate response to any further requests to sign letters of this sort. Yours, etc., PETER DODSON, VINCENT HANNA, GILES SMITH, National Union of Journalists, Broadcasting Section, Acorn House, 314-320 Gray's Inn Road, WC1.

Chantry treasures

From Mr Brian Sewell
Sir, Chantry's will makes his wishes quite clear: "The country will provide a proper and suitable building for accommodation for their preservation and exhibition as the property of the nation..." It can never have been his intention that his bequest should simply become one more purchasing fund for the Tate. And even if it had been, in the Tate's custody few are exhibited, and those that are not are held inaccessible in an Acton store, where it is admitted by the director that their condition has so far declined that they cannot be shown.

Let it be remembered that from the 1949 Winter Exhibition at the Royal Academy only three pictures were omitted because of their poor state. A generation in store has increased the casualties to an unspecified number sufficient to pre-

CAP help for farms on basis of need

From Mr T. B. Mills
Sir, A discharge of rotten eggs and other organic matter that landed on the windows of the EEC in Brussels recently (report, April 1) may well have made its mark, but it did little to clarify the issues involved. The cost to the consumer has been discussed at length, and the adequacy (or otherwise) of the award from the farmers' union is heavily debated. However, an across-the-board increase in support prices, which has been an annual necessity to the common agricultural policy ever since inflation reared its head, has always had a nasty side effect which is seldom mentioned. It makes rich farmers richer, and poor farmers poorer.

A large farm on good land and close to the market is good security. It can easily borrow capital (if needed) to develop the high-technology procedures that can dramatically increase output, thus taking full advantage of any increases in product prices that may have been awarded. A marginal farm on poorer land is not nearly so well placed to do this.

The CAP (in its present form) encourages large farms to get larger and, by the use of ever more sophisticated technology, to create a greater surplus of commodities. At the same time, of course, the capital-intensive systems installed create more rural unemployment.

Many regions of Europe and the United Kingdom depend upon the presence of large numbers of self-employed, family-size farmers, together with the tradespeople that serve them. If the rural economy is to survive, as it stands the CAP is creating rural vacuums and over-inflating the urban employment exchanges at one and the same time.

All that is needed, surely, is a more selective form of support. When there is a surplus, the important factors to consider are the circumstances of the farms, not the collective surplus of the industry. A policy of graded farms, supported according to need, might not cure the problem of over production and rural deprivation "at a stroke", but it would go a long way towards it.

Yours faithfully, T. B. MILLS, T. B. MILLS (Farmers) Ltd, Wotton Farm, Godmanstone, Dorset, April 4.

Principals in perspective

From Lord Greenhill of Harrow
Sir, Peter Hennessy's piece in *The Times* today (April 6) is headed "Leak inquiry points to top civil servant". I listened to read why was the permanent secretary who had fallen under suspicion. I found the suspect was a principal, later described as "naïve in these matters".

Where is the "top"? The unfortunate suspect is one of about 4,000 fellow principals, above him are 1,150 assistant secretaries, 606 under secretaries and about 40 permanent secretaries. Does the headline show *The Times* to be ignorant, prejudiced, or just naïve?

Yours faithfully, GREENHILL OF HARROW, House of Lords, April 6.

Security risks

From Mr Chapman Pincher
Sir, Brigadier Blomfield-Smith's suggestion (April 4) that I am a KGB agent "saves" possibilities for more dramatic than disclosures in my book, *Their Trade is Treachery*. The KGB's only direct attempt to recruit me failed, as MJ5 knows because, with my assistance, it monitored it. But I could conceivably have been unwittingly recruited as a "wild cat". This is the jargon for a person, often a newspaperman, who is used by real agents to pass on secret information and perform other subversive services without knowing it.

If I have been a wild cat for the past 35 years then it must have been because of the information I have revealed who were knowingly serving the KGB and must be resolutely rooted out and exposed. These include a score of Cabinet ministers, including Prime Ministers, Foreign Secretaries, Home Secretaries and Secretaries of State for Defence. There is a large clutch of senior civil servants, including permanent secretaries, chief scientists and heads of defence establishments, including those of the Atomic Energy Authority.

Among Service chiefs I must confess to at least three Chiefs of the Defence Staff, some Admirals of the Fleet, Marshals of the Royal Air Force and Chiefs of the General Staff. I cannot omit sundry ambassadors and various senior intelligence officers, from directors downwards. Nor should I forget captains of industry involved in defence contracts. Yes, damn them, they have been using me too!

Good grief! What has the brigadier started? Yours faithfully, CHAPMAN PINCHER, Church House, 16 Church Street, Ebury, Newbury, Berkshire.

Old hand

From Mr S. Miller
Sir, As an older pensioner, I rather resent your headline: "Elderly find census forms daunting" (April 4). Why should we find them any more daunting than the lines drawn in 1949, when Sir John Rotherstein described the bequest as "scandalously inferior and quite miscellaneous", and Sir Alfred Munnings said that "The concession of unlimited powers of suppression was never contemplated in the terms under which the nation's property was handed over to the Tate". Yours faithfully, BRIAN SEWELL, 19 Eldon Road, W8.

SOCIAL FOCUS

How many more Arthurs await rescue from mental hospital?

At first glance Arthur and his two friends looked a sad little trio as they made tea in the training unit. He is severely deaf and they are victims of Down's syndrome. Yet they are part of an exciting movement in psychiatric medicine.

Arthur and his companions will probably leave the Royal Western Counties Hospital for the mentally handicapped at Starcross, Devon, late this summer to set up home in a flat and get on with a normal life.

The two friends will be Arthur's ears and part of his voice while he organizes the household. For Arthur it will be the end of 31 years as a patient in wards to which he should never have been admitted.

He is not mentally handicapped and never has been; or, as Dr Christopher Williams, the clinical psychologist at the hospital, puts it: "He's deaf but not daft".

Arthur is a victim of the frightened kindness that was embodied in the old Mental Deficiency Act of 1913. He was put away for his own good after being caught trying to take some fruit from the front seat of a parked car when he was a boy of 12.

He underwent the crude and brutal psychological labelling of the time, being described as feeble minded and of "low grade", unapproachable by routine intelligence tests and unable to absorb education. In short, his invisible handicap and

inability to communicate had put the medical handcuffs on him.

In hospital he was continually shifted from one ward to another, as ward boy, and set to work in the kitchens. No effort seems to have been made during his early years to reassess his intellectual capabilities either on the old measuring instruments or by developing new ones. Inevitably he became institutionalized.

The boy who was deaf before he could speak and who had a family history of deafness was swallowed whole. But he was not the victim of the mean-minded; he was a casualty. "A lot of people who are deaf appear to be mentally handicapped", said Dr Williams, "and because the causes of both are so similar you find more deaf people in hospital communities like this than you would in a normal community."

It was this difficulty in disentangling the causes of mental handicap and deafness — genetic, environmental, disease or accident — that made Arthur and others like him silent islands of sanity in an insane world. Deaf but not daft.

An enlightened area health authority recently carried out a survey of the 1,100 patients in the Royal Western Counties Hospital complex. Among them were 95 deaf people. At about this time Dr Williams was joined by Barbara Kropka, a graduate psychologist seeking a project for doctoral research.

She trawled the deaf group with a well validated test known as the Wechsler Adult Intelligence Scale. It has two parts, one for people able to speak normally and one which is less dependent on language for the tasks to be carried out. The deaf were able to demonstrate their answers.

She discovered that 15 of the group were not mentally handicapped. One of them, in fact, had an IQ of 103, which makes it much easier to understand the occasional tantrums manifested by this group, the cause being sheer frustration. They were simply unable to communicate.

The group has an average age of 58 and they have been in hospital, on average, for 39 years. Some are over 70 and have been in hospital for around 60 years. In fact one 72-year-old has been in hospital for 67 years. For these, the kindness of protection early in the century has become totally stifling.

Arthur will escape, leaving behind him the question of how many more people in Britain's hospitals for the mentally handicapped are deaf but not daft.

Dr Williams estimates that if the Devon percentage of 15 able deaf is carried across the 50,000 mentally handicapped patients in England and Wales, the psychologists and doctors should uncover about 750 Arthurs. Miss Kropka is looking for precise answers.



In their hospital flat Arthur (centre) and friends prepare for a new life.

The next stage of her project, which has so far been funded by the Royal National Institute for the Deaf, involves contacting all the hospitals for the mentally handicapped and starting the long search for people who were sent to the hospitals before they were called hospitals and before the National Health Service came into being.

"When they are found, the more elderly who have become deaf over the years will need proper hearing aids and help with lip reading, reading and writing", said Dr Williams. "Those who were born deaf or who became deaf before they learnt to speak will have to be taught sign language."

The drive to end their life imprisonment and prevent any other able deaf from joining them is represented in the rebuilding of Arthur.

At the training flat in the hospital grounds he is coming towards the end of a year's intensive social training in the best of all teaching situations, a one-to-one relationship with an occupational therapist, a teacher and a nurse.

It started with the Green Cross Code. Now Arthur goes

into town to shop, either on foot or by bus, and cooks and generally organizes life in the flat for himself and his two companions.

His grasp of sign language is moving steadily towards competence and he is totally at ease with strangers. Occasionally there is a flicker of the conditioning that goes with living in an institution. If he is in town with one of his teachers he can become slightly agitated when he sees that it is a hospital meal time.

Arthur also insists on having his hair in the institut scrub cut, but his eyes bright and alert and he stands ready to ask him would please him most smiles and makes the str arm pointing gesture c Hollywood United States airy officer at the head o column. Translated, it m "I want to be out".

Peter Br

A very special kind of Olympics

Suggest to most people in Britain the idea of an Olympic Games for the mentally handicapped and they will probably imagine the competitors running in different directions and the proceedings breaking down in chaos, tantrums and tears.

It is an image due for a radical revision if American experience is anything to go by. For, starting with a charity film premiere tonight — of, appropriately, *Superman II* — serious fund-raising is underway in Britain for a project known simply as Special Olympics.

In this country it is only just beginning to make an impact. But in the United States and 20 other countries more than one million mentally handicapped children and adults are now involved in Special Olympics projects. The programme has attracted huge support from companies, Olympic athletes and tens of thousands of volunteers — students, teachers, athletics coaches and others who have never before had anything to do with the mentally handicapped.

It was not like that even 13 years ago when the Special Olympics were started by Eunice Kennedy Shriver, President Kennedy's sister, who is in London for the film premiere. When they were first proposed, she says, "People told us we couldn't do it."

Parents, teachers, coaches and doctors said the mentally handicapped could not leave their homes or institutions to travel. They would be incapable of running races, playing team sports or appreciating the difference between winning and losing; and if they could tell the difference, defeat would be humiliating.

"Parents were worried. They thought it would be embarrassing, their children would be ridiculed, and they couldn't do it."

At the first International Special Olympics held in Chicago in 1968, half of the eight runners in the 50-yard sprint failed to finish. But the

experience of the organizers and the 1,000 who took part was sufficient to get things really moving.

More coaches became involved. Olympic athletes took an interest and then gave their time to coach. Hundreds of volunteers took part in local training, organizing local events and heats. The Special Olympics now have an international summer and winter games every four years and 16 official sports from track and field events to swimming, skiing, basketball and gymnastics. They command prime television time on American sports programmes.

Bruce Jenner, winner of the Olympic decathlon gold medal, Eric Heiden, who took five skating golds at Lake Placid, and his sister Beth, Pele, the Brazilian soccer genius, and American baseball and basketball stars all help with training. The results, to a sedentary Briton, are sometimes quite daunting. Basic funding for the project comes from the Joseph P. Kennedy Jr Foundation.

Directors, with Mrs Shriver, include her husband, Sargent, former Director of the Peace Corps and the Democrat Vice-Presidential candidate in 1972. He says the winner of the mile event at the last Special Olympics ran faster than the winner of the mile in the first modern Olympics of 1896.

The high jump bar was set at 6ft 1in before the leaders failed. There is a special medal for those whose achievements required particular skill, courage or humanity. The medal was introduced after one girl leading at the end of the 400 metres, saw her friend, running second, fall; she stopped to help her up, the pair crossing the line together in third and fourth place.

But even the four-yearly international meetings are not the real objective. That lies in the training, the opportunity for the mentally handicapped to get out, to learn to swim, run, play team games, learn gymnastics, before the heats and local

events, rather than sit forgotten and unachieving home or in an institution.

It is there that thousands of volunteers in the United States have played their part in Eunice Shriver calls "the biggest voluntary programme in the world". The same will be true in Britain if project is to be a success.

The outcome, apart from intrinsic benefits, has been in the United States some lessons to play well enough to compete in ordinary conditions, and have even gained the confidence to take jobs which they might otherwise never have been considered Eunice Shriver says.

In Britain the project is attracting strong support. Iress Alexandra is attending film premiere, the charity newspaper boasts a bumper of the good and the great of the film programme has more advertising than previous charity programmes the past two years, local regional training programmes have been set up with Sp Council and sports club support.

Thirty-two mentally handicapped people from Britain competed in the 1979 International Special Olympics collected 60 medals. The aim of the current fund-raising is to establish a full-time sports director in this country to spread the project to thousands who could be from it. Britain's first Sp Olympics are planned for Liverpool, in July 1981.

For those who still wonder whether competition might destroy the mentally handicapped's remaining self-respect Eunice Shriver has a story to tell. "I'm glad I'm not retarded, I wouldn't have got to this."

Nicholas Timmi

Libraries: stopping the rot

The public libraries in the east end of London are in danger of becoming redundant. Once an escape route out of the slums for many, they have been increasingly ousted over the years by paperbacks, television and now video tapes. At best they are seen as marginal, at worst as remote and irrelevant.

In an effort to stop the rot, the London Borough of Hackney has hired Miss Maggie van Reenen under the title of "out-reach librarian". Her full-time task will be to sell and promote the libraries.

"Libraries are frightening for many people", she says. "My job is like taking the D notice off them. I have to find out from the local community where we are going wrong and work out ways to communicate."

By tradition libraries attract readers in a recession. The Library Association says that since the Second World War there has been a steady rise in the use of libraries in a variety of ways apart from book borrowing and the latest figures show that in 1977 40 per cent of adults used a library.

But in Hackney, apart from Jewish areas where there is a strong tradition of reading, there has been a steady drop in book issues over the years, only partly matched by more people using the libraries for other services.

Miss van Reenen estimates that although there are 49,000

adult members of Hackney's 17 libraries, only half, about 10 per cent of the population, are regular users. Some branches are issuing 70 books a day when on the basis of their catchment areas it could be nearer 200, and Hoxton central library, in the heart of Shoreditch, now issues 250 a day compared with about 1,000 25 years ago.

Hackney is not typical of libraries everywhere. But it shows the special difficulties of the libraries in the inner city with a falling population, high crime rates and low literacy, as well as some of the general difficulties faced by all libraries, only highly magnified.

One big difficulty is lack of knowledge of the services offered. How many people, Miss van Reenen asks, know that in Hoxton they can use a typewriter in the library or as a group borrow audio-visual cameras?

Another difficulty is resistance. Libraries have an image of authority; children generally visit them with their schools and when they leave school they stop coming, she says. People also link them with the local authority.

Improved social conditions have also had an impact. Miss van Reenen says: "For many people, the library was the only access to some kind of education. Now it is not. Nor do people have to struggle to escape from poor conditions. Decent homes, education and so

on are now provided so they are not the same incentive."

Despite all this, libraries have a part to play. She believes there is a vast untapped body of people who would use a library if it adapted. A recent survey of the Borough of Hillingdon showed that 37 per cent of library users said they had used a book, but were not interested in libraries.

To reach them, libraries have to be professional and rid of their "do-it-yourself" attitude, she says. Libraries must give public a higher priority and use more than the printed word such as tape-slide shows. A other idea is using a double deck yellow bus as a travelling shop window.

Libraries must also offer relevant information, she says. That could include how to fit a councillor; where the local Roman Catholic church is; also provide a "small noticeboard."

So far, Hackney has escaped relatively unscathed from financial cuts throughout the library service. But its budget now buys 10,000 fewer books than it did 15 years ago. Temptation, Miss van Reenen says, is to buy books most demand, in Hackney that means westerns or romances.

That must be resisted at all costs, she argues. Libraries must always provide access to the best.

Frances Gibb



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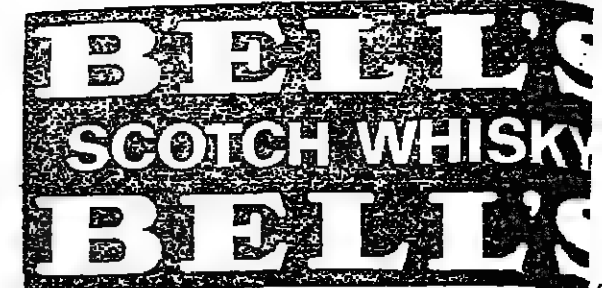
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Stock-Exchange Prices

Further profit taking

ACCOUNT DAYS: Dealings Began, March 30. Dealings End, April 9. Contango Day, April 10. Settlement Day, April 21

Forward bargains are permitted on two previous days



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Japan plans new plant export drive

Japan's Committee on Industrial Plant Exports, an official advisory body, is planning to expand "soft" low-interest loan projects to help developing countries as part of a new export strategy.

The committee last year proposed the supply of mixed loans, combinations of hard and soft loans, to help Japan compete with other nations in the sale of industrial plants.

A survey by the committee showed Japanese industrial plant exporters have been losing contracts to West European and United States competitors in recent years.

£17m BICC order

BICC has won a £17m Kuwaiti contract for the manufacture and installation of about 210 kilometres of 132kV oil-filled cable.

\$3m credit for Peru

The Export Credits Guarantee Department has backed a \$3m (£1.4m) line of credit for Peru.

Japan-EEC trade

Lord Carrington, Britain's Foreign Secretary, is believed to have told Japan it cannot solve its trade problems with the United States to the exclusion of the European Community. The issues must be solved on a parallel basis, he told the authorities in Tokyo.

China oil find

Japanese oilmen in Tokyo said that the undersea oil reserve found in Bo Hai Bay, eastern China, is a high-grade, potentially large oil deposit with an estimated capacity of 10 to 15 million tons a year.

Korea contracts boom

South Korea won \$734m (£333.5m) worth of shipbuilding contracts in the first three months of 1981, nearly 35 times the value of contracts obtained in the same period last year.

Dutch jobless record

Dutch unemployment rose to a postwar record of 340,700 in March from 320,200 in February and 214,100 in March last year.

W Germany and Japan suffer most in latest spending cancellations

US adjusts to Chinese contract cuts

Peking, April 7.—United States companies have suffered less than their Japanese and West German competitors in China in the latest wave of contract cancellations, as they had tended to start out later in the race for business.

The cancellations were the result of China's decision that it was seriously over-spending and it is thought that the cut-backs could last for a few years. Some United States companies with offices in Peking, while still maintaining a presence, are withdrawing high-salaried representatives and taking other steps to cut costs.

It is not known how many companies in the United States cancelled plans to try to move into the Chinese market, launched about two years ago with the establishment of formal United States-China relations and China's proposed modernization drive.

In those fields not affected by China's retrenchment, however, a few are expanding efforts and Mr David Tappan, the chairman of the National Council for United States-China Trade, said there was still "plenty to do".

But Mr John Bing, of Pullman-Kellogg, who is going home, estimates that his company has probably done more work in China than any other United States company. Pullman-Kellogg had worked on 18 chemical fertilizer plants all over China in the past six years, worth \$500m (£218m) at today's prices.

But he said that in the area of providing engineering services for construction he could see very little new business. Pullman-Kellogg was keeping an office

manned by Chinese staff and shared with BLK Services, a Hongkong affiliate.

He saw an overall setback in expectations for United States business. Two years ago people thought an enormous market was opening up. Sane heads then said business could not materialize so quickly, but he said: "It's not a one-way street out of China by any means."

Marubeni, a Japanese trading company, is about to move into a \$650 (£284)-a-day guest house that had been offices for the past year for the Bechtel Group. Bechtel is moving into an hotel and one representative formerly based in Peking will commute from Hongkong.

Bethlehem Steel has closed its office because China suspended its contract for work on an open-pit iron ore mine 110 miles north-east of Peking.

Mr Wally Lenahan, economic counsellor at the United States Embassy, said he knew of five United States companies reducing their presence in Peking to cut costs, out of about 60 with offices in the Chinese capital.

General Electric is about to raise its Peking staff from four to five, and Mr John Wu said the energy field was not being cut back under the retrenchment. "There are no significant deals yet," he said, but he echoed the theme of most companies when he said: "We are taking a long-term view."

Computer makers also are expanding their efforts in China.

Mr S. W. O. McDowell, of Jardines, a Hongkong trading company, which repre-

sents some United States companies, said: "We are basier than ever."

The market for machinery is down, but sales of instruments, power generation equipment and petroleum-related equipment appeared more promising.

There were signs of a big retrenchment over 12 months ago, but some companies may have miscalculated.

Mr Tappan said at the end of a recent visit to China that the "doom and gloom" had been overdone.

He foresaw "explosive growth" in trade in the long term, and said that in the meantime China was not cutting back in areas such as energy development, agriculture and light industry.

United States exports to China shot up 118 per cent in 1980, to \$3,700m from \$1,700m, with wheat sales increasing to \$1,040m from \$214m, and cotton sales climbing to \$701m from \$357m.

Chinese exports to the United States increased to \$1,050m from \$91m. Mr Lenahan said that United States exports were expected to increase by between 10 and 20 per cent this year and Chinese exports to the United States market by between 40 and 50 per cent.

Mr Tappan said that he expected United States oil companies to play a leading role in developing China's petroleum industry. The oil companies, however, are waiting for China to finish writing some of the needed tax and other laws. Bidding on contracts for offshore oil work is expected in the second half of this year. (AP-Dow Jones).

Birmingham brewery to stay shut

By Clifford Webb

Mr Alex Nitson, acting general secretary of the Transport and General Workers' Union, failed in his attempt yesterday to persuade Allied Breweries to reopen Ansell's Brewery, Birmingham, and re-engage 1,000 workers who have been dismissed.

The old-established brewery was shut 10 weeks ago when employees refused to accept redundancies and new working practices and went on strike. Despite Allied's insistence that the closure was permanent, Mr Nitson took a team of union officials to Birmingham to try to persuade the company to change its mind.

But after four hours of talks at the local headquarters of the Advisory, Conciliation and Arbitration Service, Sir Derrick Holden-Brown, vice-chairman of Allied Breweries, was adamant the brewery would not reopen.

He did offer jobs to 400 of the 1,000, however, if the union would withdraw its pickets and allow the reopening of two key distribution depots.

£30m Airbus boost for machine tool industry

By Edward Townsend

British Aerospace is to spend about £30m in the next three years on machine tools to produce wings for the A-310 Airbus.

Leaders of the British machine tool industry are confident that a large proportion of the investment will be made in home-produced machinery, although British Aerospace would say only that its purchasing policy was based on "function and efficiency", which did not rule out the buying of foreign tools.

The spending, part of a total of up to £250m that the company is investing in the A-310, will come as a morale booster to the depressed machine tool industry, but it represents only a fraction of the new business that companies need to halt the rise in short-time working and redundancies.

Machine tool factories are working at about 60 per cent of capacity and the industry estimates that new orders of at least £160m must be won by the end of July if further contraction is to be avoided.

Several big machine tool companies are waiting for a

decision from B.Ae. on their tenders for machinery supply. Much of the equipment being bought is sophisticated, computer-controlled plant and orders are regarded as having a high prestige value.

British Aerospace said yesterday that seven factories were involved in the A-310 project and investment, particularly in advanced automatic machine tools, was taking place at each site. Some of the machines would be among the largest in Europe.

Wings for the A-310, a smaller version of the successful A-300 Airbus, are described by the company as the most advanced in the world. The first wing was completed at the company's Broughton factory near Chester yesterday and will be delivered to VFW at Bremen in West Germany next month before final assembly with the fuselage at Toulouse in France.

The new, wide-body airliner is expected to make its maiden flight next spring and deliveries will start in 1983. B.Ae. as a partner in Airbus Industrie, the European consortium which produces both aircraft, is responsible for the design and manufacture of the wing sets.

'Self-help' answer to fuel costs

By Pearce Wright

The Government is not prepared to concede cheaper energy supplies to the petrochemical industry, either in feedstocks from North Sea gas and oil or in electricity prices.

That was made clear, though indirectly, by Mr David Howell, Secretary of State for Energy, in an address to the opening of the Royal Society of Chemistry's annual meeting at Surrey University, Guildford.

He made no concession to suggestions yesterday by the chemicals committee of the National Economic Development Committee that, unless energy price cuts were made, the 20,000 jobs shed by industry would continue at a rate of 100 a day.

Without referring specifically to the "little Neddys" of the industry, Mr Howell suggested that the best help available to the chemicals industry would be self-help.

That sort of innovation, he argued, included the development of cold water detergent new materials for insulating buildings and novel types of high-efficiency industrial boiler and production processes.

LETTERS TO THE EDITOR

CEGB wrestles with change

From Sir Arthur Harkins
Sir, I do not believe the electricity supply industry is in any particular need of new blood as Sir Kelvin Spencer suggests in his letter (April 6). What it does need is a fairer and more objective understanding of its achievements.

In the past decade the industry has had to wrestle with the impact on its business of world changes in the energy scene; has been squeezed between the all-powerful miners' lobby and the heavy plant manufacturers' interests; has been pressurized by left wing politicians to become another vote-catching social service; and has been denigrated by right wing politicians for no other good reason than that it is a "nationalized industry".

Now Sir Kelvin has joined several others in quoting my evidence to the Select Committee on Science and Technology (December 18, 1973) out of context.

In repeating the phrase "... a catastrophe we must not repeat ..." he would have done well to add the preceding sentences. I said "... in this small country we cannot afford to develop at the same time two or three different designs of the same new prototype of AGR. We have in effect at least three distinct designs of AGR; they are all prototypes, and we are trying to rely upon them as commercial reactors. This is a catastrophe ..." etc.

It is plain that I was in fact pointing out the folly of ordering these new advanced technology stations simultaneously from several different consortia of British manufacturers.

This led to different designs each with its own design and teething troubles which had to be ironed out. This in turn imposed upon the industry the Government's intent on the demands of the industry. The C.E.G.B. at the time, expense, has had to re-examine one form or another, all projects to try to get some out of the investment made. What a sad reflection of the competence and reliability of the private sector.

Thanks to the skill and imagination of the C.E.G.B. Hinkley Point B AGR is a proving its worth. Dunge may yet prove to be a valuable asset, capable of providing the original claims of the consortium.

ARTHUR HARKINS, 61 Rowan Road, Brook Green, London, W6 7DT, April 6.

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ARTHUR HARKINS, 61 Rowan Road, Brook Green, London, W6 7DT, April 6.

Long delivery times

From Mr Barrie McBride
Sir, My wife recently produced a son somewhat prematurely and I had to do some immediate shopping.

I needed two items that day, a chest of drawers and a baby alarm. This was my experience, all in Oxford Street.

Chest of Drawers
Store 1 "Delivery 1-2 weeks (from Sevenage)"
Store 2 "Delivery 3 weeks (from Southall)"
Store 3 "Available now, collect from warehouse in London"

Baby Alarm
Store 1 "Delivery 4 weeks."

They go very quickly when they're in. Store 2 "Out of stock. Trouble with manufacturer."

Store 3 (Branch of 2) "Plenty in stock."

Whereas I learnt something about being a housewife I learnt something more about the recession in the furniture and retail business.

Yours faithfully,
BARRIE ST C. MCBRIDE, Managing Director, McBride Partnership, 87-91 New Bond Street, London W1Y 9LA.

Putting British goods first

From Mr G. S. Ettinger
Sir, I was enormously cheered and uplifted to read in your April 1 issue that Dohenham's have taken the lead in reducing their overseas buying to save British names. I say "Follow the Leader" in real terms, and maybe British industry, which needs so much support at this time, will reenter a spirited cycle of prosperity and (dare I

say it!) maybe even a renaissance. As a manufacturer I am indeed encouraged in the hope of resuscitating faith and pride in British skills.

Yours sincerely,
G. S. ETTINGER, Managing Director, G. Ettinger Ltd, 11 Warwick Street, Regent Street, London W1R 6U.

North Sea oil tax changes

From Mr K. J. L. Macpherson
Sir, There would not be any connexion at all between the recent attempted massacre by the Chancellor of the Exchequer of the profitability of North Sea oil investment through his swingeing tax changes, thus dimming the attraction of the oil sector of the stock market, and the announcement that the sale of

shares in the British National Oil Corporation is to be dropped from the present session of Parliament.

Would there?
Yours faithfully,
K. J. L. MACPHERSON, 21 Greenways, Walton-on-the-Hill, Tadworth, Surrey, KT20 7QE March 31.

Pension schemes a inflation

From Mr Myles White
Sir, I share Mr Martin's view (April 2) that the value of the state pension scheme as a means of insulating the pensioners from the effects of inflation.

Is it not a pity that precisely the time we are pre for the quinquennial review the state scheme we which will enable all con to review their position light of five years' experience the Government is under public confidence in the ability of the national insurance scheme to provide the structure?

Members of pension schemes faced with a proposal to increase contributions are entitled to anything safe and how value can now be attached to the bipartisan agreement pensions Mrs Cattle and late Brian O'Malley if they had achieved.

Yours faithfully,
MYLES J. WHITE, Head of Pensions and Social Services Department, General and Municipal Workers' Union, Thorne House, Ruxley Ridge, Claygate, Esher, Surrey KT10 0TL, April 2.

Bank Leumi Le-Israel B.M.

Israel's first and Largest banking group and one of the 100 largest in the world

CONDENSED CONSOLIDATED STATEMENT OF CONDITION OF THE BANK AND ITS SUBSIDIARIES AS AT 31ST DECEMBER, 1980
(Exchange rate of 31/12/80 - \$1.00 = IS7,5480)

(In thousands)		
ASSETS	Sheqels	U.S. Dollars
Cash and balances with Banks	54,802,489	7,260,531
Securities	8,742,727	1,158,284
Deposits with and loans to the government	26,645,258	3,530,108
Loans	29,634,821	3,793,696
Loans out of deposits for the granting of loans	11,349,230	1,503,608
Other accounts	822,739	109,001
Bank premises and equipment	386,523	51,209
Liabilities of customers	8,102,766	1,073,498
	139,486,553	18,479,935
LIABILITIES		
Deposits	97,219,068	12,880,109
Deposits for the granting of loans	11,567,835	1,532,570
Debentures issued by subsidiaries	17,009,798	2,253,550
Other accounts	972,047	128,782
Liabilities on account of customers	8,102,766	1,073,498
Capital, reserves and surplus	1,438,011	197,140
Capital notes - convertible into shares of the Bank	445,188	58,981
Interest of outside shareholders	317,483	42,062
Non-convertible bonds and capital notes	2,364,356	313,243
	139,486,553	18,479,935

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDING ON 31.12.80

(In thousands)		
	Sheqels	U.S. Dollars
Operating profit before taxation	1,486,789	196,978
Provision for taxation on Operating profit	351,857	46,129
	634,932	84,119
The Bank's Equity in Undistributed After Tax Profits of Unconsolidated Subsidiaries	9,623	1,275
Operating profit, before deduction of outside shareholders' interest	644,555	85,394
Outside shareholders' interest in operating profit	124,643	16,513
Operating profit, before non-operating income and expenses	519,912	68,881
Non-operating income, net, after related taxes and outside shareholders' interest	5,343	708
NET PROFIT	525,255	69,589

The Bank Leumi group has 433 branches, subsidiaries and representative offices including 57 overseas in 18 countries.

Head office: 24-26 Yehuda Halevi St., Tel-Aviv 65546, Israel, Tel. (03) 522111, Telex: 033586 IL.

Bank Leumi (U.K.) LTD.

Head office: 4-7 Woodstock St., London W1A 2AF, Tel. (01) 629-1205 (4 branches).

Bank Leumi Le-Israel (France) S.A.

Head office: 30 Boulevard des Capucines, 75009 Paris, Tel. (1) 824 7410 (2 branches).

Bank Leumi Le-Israel (Switzerland).

Head office: 34 Claridenstrasse 8022, Zurich, Tel. (01) 201672/8 (1 branch in Geneva).

Other subsidiaries, branches and representative offices in:

New York (26 branches), Chicago, Philadelphia, Beverly Hills, L.A., Miami, Toronto, Cayman Islands, Caracas, Bahamas, Panama City, Mexico City, Caracas, Sao Paulo, Montevideo, Buenos Aires, Frankfurt a.M., Brussels, Antwerp, Milan, Hong Kong, Johannesburg.



bank leumi בנק לאומי

Swire Pacific Limited

Consolidated results for the year ended 31st December 1980 and 1980 final dividends

Results, Audited consolidated results for the year ended 31st December 1980 were:

	Year ended 31st December 1980	1979
	HK\$ m	HK\$ m
Turnover	4,974.6	3,690.6
Operating profit	894.1	672.8
Interest charges - net	181.2	90.4
Net operating profit	732.9	582.4
Share of profits of associated companies	67.2	37.3
Profit before taxation	800.1	619.7
Taxation	131.4	111.7
Profit after taxation	668.7	508.0
Minority interests	210.7	180.1
Profit before extraordinary items	458.0	327.9
Extraordinary items	8.2	2.2
Profit for the year	449.8	325.7
Earnings per share:		
'A' Shares	130.8¢	93.7¢
'B' Shares	26.2¢	18.7¢
Dividends per share:		
'A' Shares - Interim	17.0¢	17.0¢
- Final, recommended	43.0¢	34.0¢
'B' Shares - Interim	6.0¢	5.1¢
- Final, recommended	3.4¢	3.4¢
	8.6¢	8.6¢
	12.0¢	10.2¢
Net assets per share:		
'A' Shares	11.8¢	8.8¢
'B' Shares	2.3¢	1.7¢

Swire Properties Limited's profits for 1980 increased very satisfactorily by 112% to HK\$ 505.2 million of which HK\$ 341.4 million was attributable to Swire Pacific Limited. Cathay Pacific Airways Limited's results for the second half year showed a significant improvement over the first half. Industries division's results improved in the second half year with a substantial increase in profits for the whole of 1980. Shipping, offshore services and dockyard division's profits also increased in the second half year in line with rapidly improving market conditions in the offshore services area.

Final dividends. The directors of Swire Pacific Limited will recommend to the shareholders at the annual general meeting on 1st June 1981 the payment of final dividends of 43.0¢ (1979 - 34.0¢) per 'A' share and 8.6¢ (1979 - 6.8¢) per 'B' share payable on 5th June 1981 to shareholders registered at the close of business on 14th May 1981; the share registers will be closed from 15th May 1981 to 1st June 1981 - both dates inclusive.

Investment properties. The annual valuation of Swire Properties Limited's investment properties was carried out at 31st December 1980 and resulted in a surplus of HK\$1,285 million over the valuation at the end of 1979: HK\$868 million of this surplus is attributable to Swire Pacific Limited. The surplus reflects the continuing increase during 1980 in the market values of properties in Hong Kong. Because of the retentions in 1980 and the property valuation surplus, the book net asset values per share of Swire Pacific Limited at 31st December 1980 increased by 35% over the values per share at the end of 1979.

Prospects. For the Swire Pacific Group as a whole, prospects for 1981 are certainly good. Swire Properties Limited is expected to make an appreciably larger contribution to profits and, in Cathay Pacific Airways Limited, the trend of improving operations in the second half of 1980 is expected to continue to grow in strength in 1981. Industries division and shipping, offshore services and dockyard division are also expected to achieve further increases in profits for 1981.

The annual report for 1980 will be sent to shareholders on 7th May 1981.

Hong Kong
2nd April 1981

D.R.Y. Bluck
Chairman



Swire Pacific Limited
The Swire Group
Swire House, Hong Kong.

BY THE FINANCIAL EDITOR

A set-back for the optimists

itionally the gilt-edged market is grossly optimistic. And so it proved yesterday, though views on the likely outcome for early growth in March had covered a wide range, the predictions had been heavily weighted towards nil growth in March.

The fact that the gilt-edged market is optimistic is not necessarily important, however. The more crucial issue is whether figures are bad in themselves.

On the face of it, there is little wrong indicated by growth of 0.75 per cent in March. It leaves the annual rate of growth over the past three months at around 91 per cent. What is a, the underlying rise in bank lending by the London clearing banks may not be that serious: the figures have clearly swollen both by straight switching overdraft borrowing and, probably, by a rain amount of "round-tripping" too.

It said, there is certainly little firm evidence as to why one should feel confident about the monetary situation at present. Sterling M3 for March should have firmed from the large half-yearly payment of Petroleum Revenue Tax, for which the Bank of England does not make a final adjustment.

Moreover, the underlying rate of growth bank lending to the private sector may have slowed appreciably since last summer, it is still not especially low for this in the business cycle. The fact that it is only be level-pegging in real terms is a comfort either.

It might be said to offer further support of an incipient recovery in the economy. But if that is the case, does it also mean that we are somewhere near the end of the inflation rate and interest cycles? Or could it be that a recovery in the private sector credit demand over the year might be offset by an underperformance in the PSBR?

Little wonder that the gilt-edged market is trading cautiously at present. The long-term prospect is far from clear, it is not as if the April money supply figures will provide a particularly useful given the inevitable distortions likely to be caused by the Civil Servants' industrial action.

Bank auction

Hongkong and Shanghai's powerful counter

Standard Chartered's terms for the Royal Bank of Scotland never looked generous enough to give it a free run on the last bidding opportunity to get an important slice of the lucrative United Kingdom retail banking market.

A firm foundation seems to have been laid for Britain's first major oil service group, while the recent acquisition of Baron Oil in the United States adds both a substantial reserves position and a base from which to build up the group's American rig fleet. And given the group's minimal exposure to the sort of commodity price conundrums currently bedevilling the production majors, yesterday's setback in the price could provide a buying opportunity.

Laing Properties, hived-off from John Laing in October, 1978, surged forward again in 1980. Profits are 25 per cent higher at £7m, thanks to a carefully orchestrated development programme that kept Laing busy in spite of the recession. That should continue through into 1982.

Development projects completed last year were worth an extra £13.1m on transfer to the investment portfolio and a triennial revaluation of the whole portfolio added another £29m. Shareholders' funds ended up £43m higher and with borrowings fractionally lower at £50m, gearing fell from just over 50 per cent to 35 per cent.

A quarter of the portfolio is held in North America and produces roughly a fifth of rental income. Though the United Kingdom remains LPL's base, the company is taking a more cautious view of things here and now prefers to pre-let projects before building starts, if it can.

Rental income is all important to Laing as its earnings are expected to do little more than cover central charges, and did so last year with £100,000 to spare after a £400,000 increase in net interest costs at £3m; while group rental income rose from £5.6m to £6.9m.

The profits increase and a 14.3 per cent rise in dividend, saw the shares up by 11p to a new "high" of 208p. Here, the yield is 2.75 per cent and p/e ratio 28. That could be much harder to live up to this year, with rising land prices and comparatively high building costs in the United Kingdom.

Standard empire. The idea is that Royal Bank should become the flagship for its European banking aspirations and there is an attempt to draw the teeth of Scottish nationalism by saying that there will be no loss of its Scottish-based independence.

Hongkong & Shanghai's claims that it is a British bank is, however, unlikely to be as convincing to the Scottish nationalists as it was to the Accounting Houses Committee when it purchased the rest of Antony Gibbs.

So far as Hongkong & Shanghai is concerned the move represents a distinct increase in the tempo of its efforts to become a worldwide bank since the Royal move comes only a couple of years after its purchase of Marine Midland in the United States. The Hongkong market was less enthusiastic about the move with the shares closing easier yesterday. Meanwhile, if Hongkong & Shanghai is successful it remains to be seen if the United Kingdom authorities are any more successful than those in the United States about forcing the bank to disclose more.

KCA Profits could double again

KCA International's shares fell 20p to 182p yesterday, a reaction that can be blamed on the absence of firm details on the price and timing of the planned flotation of a minority interest in the KCA Drilling subsidiary.

For profits, at £3.73m up from £2.8m (a figure which included a £950,000 land surplus), were up to expectations and a shade better than the forecast given with last November's £12m rights issue. Moreover, a 17 per cent dividend increase for a yield of 4.1 per cent was a good deal better than had been bargained for.

This year profits could double again, reflecting a possible £1.75m contribution from the charter to CAMPA of the new drillship, a significant increase in profits from the barite shipment contract with China, a turnaround in BW Mud and further growth in land-rig contracting.

That would reduce a forward-looking p/e ratio of 27 to under 20. But the market may be looking for the Drilling flotation which will include the new drillship both to conform current net worth estimates ranging between £2.50 to £3 and provide a key to future financing power before chasing the shares higher.

Nevertheless, KCA's chairman, Mr Paul Bristol, has moved far towards overcoming the credibility gap caused by the group's Algerian troubles a few years ago, boardroom wrangles and the Furness Withy involvement.

A firm foundation seems to have been laid for Britain's first major oil service group, while the recent acquisition of Baron Oil in the United States adds both a substantial reserves position and a base from which to build up the group's American rig fleet. And given the group's minimal exposure to the sort of commodity price conundrums currently bedevilling the production majors, yesterday's setback in the price could provide a buying opportunity.

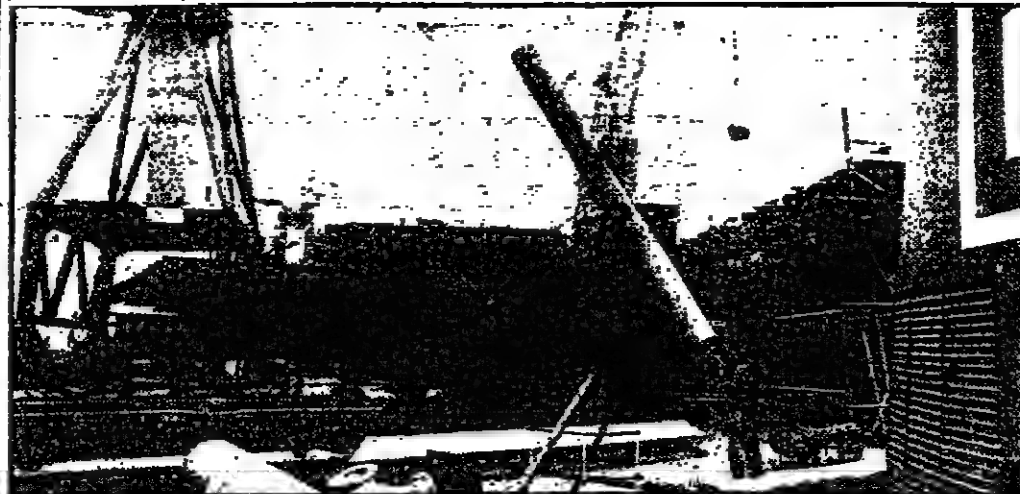
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Photograph by Bob Nicholson
Mr Jimmy Reid (right) Upper Clyde Shipbuilders shop steward spokesman in 1971 addressing a meeting of workers; and the newly equipped Govan yard at work today.



Ten years on—still a fighting spirit on Clydeside

On Clydeside, plans are well advanced to celebrate an event which 10 years ago became the focus of worldwide interest. The "work-in" initiated by the workers of the ill-starred Upper Clyde Shipbuilders consortium on July 30, 1971 became a source of inspiration for other groups of workers; obliged the Heath government to step back from its "lame duck" industrial policy; and guaranteed its participants rather more than a footnote in postwar British industrial history.

The men were united in asserting their right to work. Their leaders, Mr Jimmy Reid and Mr James Airlie, became not only Clydeside folk heroes but national figures overnight. It was Mr Reid, the Communist shop steward, who articulated the men's case and who, on the first day of the work-in, set the tone when he addressed the mass meeting.

"There will be no bootlegging, there will be no vandalism, there will be no 'baying'. It is our responsibility to conduct ourselves with dignity and maturity. We don't only build ships, we build men. They (the Heath government) have taken on the wrong people and we will fight," he declared.

Few doubted that they would fight effectively. In Clydeside's turbulent history, the shipyard workers have proved themselves to be a tough, proud and determined bunch. The qualities have helped to give them a reputation for militancy, intransigence and sometimes downright bloody-mindedness.

but this many of the men contest as misplaced criticism and certainly exaggerated.

Against the backdrop of the further 628 compulsory redundancies which British Shipbuilders is now seeking throughout the corporation (including a number at Govan)—the Confederation of Shipbuilding and Engineering Unions is threatening industrial action if notices are not withdrawn by April 22—the Govan men can be expected to take a tough line. Shop stewards at Govan are determined that the spirit of agreements reached between BS and the CSEU should survive, even if the text has become tattered.

A comment last week by Mr Jimmy Reid, a boilermaker and ironworker manager, summed up the spirit in which Govan is likely to battle against the new redundancy demand from British Shipbuilders.

"You cannot work at a craft without having pride. You show me a better standard of ship out of any yard than this one, and I'll show you a royal yacht. But if we feel strongly about something, we don't just sit there and take everything that is thrown at us."

A good deal has been shown at the Upper Clyde over the past decade—not least a substantial amount of taxpayers' money, used to modernize plant so that it will produce ships efficiently, economically and, one day (but not yet), as a profit.

For today, almost ten years after the collapse of UCS and

the heady, intoxicating days of the "work-in", Govan Shipbuilders, the Government-sponsored phoenix delivered from the ashes of UCS (itself formed from the amalgamation of four yards), is still deep in the red. Part of state-owned British Shipbuilders since 1977, it turned in a loss of £17.4m last year and the financial year just ended has not been much better.

But there are grounds for cautious optimism. Encouraging progress has been and is being made. Management and workers are determined that Govan will survive and that commitment is a potent force on Clydeside.

Eric Mackie, a genial Ulsterman and Govan's managing director, is the kind of man shipyard workers respect.

"I have made it clear right from the start that as far as I am concerned, the only people who will close Govan Shipbuilders will be the workers themselves—through a lack of effort and a willingness to turn the place round. We are now performing quite well but we cannot afford to be complacent," he says.

Mr Mackie detects an awareness by everyone at Govan that they must produce if they are to survive in the world of cut-throat competition for orders. Owners can be choosy. They can afford to take their time selecting a yard to build a ship and, however, attractively wrapped the credit package, a good delivery record can tilt the balance.

After years of miserable performance, Govan is now deliver-

ing the goods. Productivity is up (from some pretty appalling levels in the seventies, it is true), the man hours involved in building ships are falling and disputes on the berth or in the fabrication shops are rare.

The first of a pair of Cardiff-class bulk carriers was delivered a week ahead of schedule earlier this year; a second will be handed over three weeks ahead of schedule next week. Work on two other ships now on the berths is well advanced.

A bonus scheme based on reductions in the man hours spent on ships should help to improve performance still further.

Flexibility of working and switching between trades (with in corporation-wide agreements) have begun to eliminate demarcation lines which earlier had been stoutly defended (there were no earthquakes recently when Govan trained a group of joiners to do some basic electrical work). The labour force has been slashed down sharply—over the past 18 months from more than 5,200 to 3,135.

Tempered by the carrot of a far redundancy cheque many of those who have left in search of new work have become statistics on the 65,200 on Glasgow's unemployment register.

After the redundancy money has gone, life outside the yard gates in the Govan Road is a cheerless business—something which perhaps has influenced the trend in industrial disputes. Last year British Shipbuilders lost 1.25 million days through industrial disputes, the worst

for four years. At Govan there was only one significant stoppage involving about 900 boilermakers.

In the three years to April 1979 a token one-day strike by 3,000 workers accounted for the bulk of the 4,000 working days lost as a result of internal disputes in that period.

So after years of procrastination, recrimination and debility, Govan has begun to turn the corner. It is beginning to reap the benefits of investment in new plant and equipment which allows the outfitting of 70 to 80 ton sub-assemblies and so cuts down construction time. But all the advanced equipment in the world cannot operate, however willing the workforce, unless it has orders on its books.

Mr Mackie and his Govan colleagues have so far won the confidence of the workers by coming up with orders and they are optimistic that there will be more. It is vital that there are. As both Mr Mackie and his shop stewards freely admit, when there are no more orders on the books, workers slip quickly into the "last ship syndrome" and productivity slumps.

Mr Stan McNeen, another shop steward, who has been with Govan since the UCS days, sums up the attitude in the yard: "The workers who are left are the fighters. The system has made them an army and we are streamlined into a fighting force. We don't want to fight. We want to work."

Peter Hill

Not much of a prop for the builders

Peter Wainwright

Sir Geoffrey Howe, the Chancellor, announced in his Budget a number of measures designed to help builders and developers. How have they been received in the industry?

The help can be described as small and welcome by those well disposed towards the Government, or of little consequence by those who are neutral.

First, the Chancellor has eased development land tax. This levy was originally designed to cream off the profits arising from the difference in land values based on existing use compared with its value as development land.

In the Chancellor's first budget in June 1979, the threshold at which tax became payable rose from £10,000 to £50,000 of the difference and the rate of tax fell to 50 per cent from 75 per cent. The taxes continued to discourage development, partly because the amount of tax could not normally be ascertained when development had started.

The Chancellor has in effect tried to remove most cases where development land was originally payable, by raising the "base" cost above the cost of buying the land before development. The base cost is now to be 50 per cent in place of 15 per cent.

The change is designed to help builders, but its importance may be measured by the fact that the Chancellor's revenue for the financial year 1981-82 is estimated to be £5m to £25m.

Barratt Developments, now our leading housebuilder, points out that in line with everyone

else of any size, it buys its land already equipped with planning permission. There is, therefore, in the nature of things, no tax to pay. "The change in DLT is a good thing," says a Barratt spokesman. "It helps small builders who buy land without planning permission to build houses and then hope to get it changed," the company says.

Barratt's great rival, George Wimpey, agrees with Barratt on the significance of the change. Much obviously depends on the demand for houses, because the tax becomes effective only if houses are built and sold. Here the trend of interest rates, especially the cost of building society mortgages, of personal incomes and of activity in the economy generally play their part.

There is also an impression throughout the building and property industry that development land tax is one that is easy to circumvent. If, for example, houses are selling well, the final buyer is likely to end up paying the tax. If they do not sell well, the houses will not go up and the land will not be bought.

The Chancellor has also increased the initial allowance for expenditure incurred on building new industrial units from 50 per cent to 75 per cent. The intention is to benefit construction and employment in the industry.

One difficulty is that the letting market is quiet. The hope at George Wimpey is that it will pick up in perhaps a year as the economy revives. Meanwhile, there is a lot of idle industrial space.

In terms of making factory building in itself more attractive,

the relief is welcome. Brixton Estate, one of our leading industrial developers, says that it could have a "significant impact." It says that it appeared to be possible to claim on the spending involved in construction even if the new building could not be let. The allowance also appears to operate the certain kinds of warehousing.

If a manufacturer establishes a warehouse to stock his own goods then it seems that he is qualified for relief even if the warehouse is miles away from the original factory. The warehouse would not qualify if it belonged to say, a wholesaler or retailer stocking it with other people's goods.

The changes in industrial building allowances, and in the decision to remit DLT in cases where extensions to buildings increase the size by up to one third in place of the present limit of one tenth are described by King & Cooney, the chartered surveyors, as useful at the margin. The market is quieter than formerly but King and Cooney does not think that they add up to a much needed policy of scrapping old factories.

There will be cases, King and Cooney argues, where more generous industrial building allowances will tip the scales in a given project, and it hopes

for a beneficial impact as time goes by. Time will be needed because development schemes have to be prepared, planning consents obtained and finance arranged.

One problem now, it points out, is that the lending institutions, such as pension funds, are not now as enthusiastic as they were about new schemes. Property men frequently have timescales even longer than pension fund men, who sometimes allow today's recession to dominate their thinking.

Much more important than the present proposals, according to another surveyor, Edwin Hill and Partners, were the changes

enacted a year ago. These gave an impetus to building small factories, and there is a persistent demand for such units, in the South East and the Midlands.

Those who want new small factories have no use for old surplus capacity on the market. The units are too big.

The conclusion, then, must be that the development land tax changes are at least welcome to smaller housebuilders who often had to borrow to pay their DLT bills. Outside this group, the impact of the Chancellor's measures in the hard-pressed building sector appear at present to be very small.

One of the world's most exclusive hotels.

Opened in the autumn of 1980, the magnificent new Plaza of the Americas is the first hotel of such style in the American Southwest. It provides hospitality in the grand manner: the finest of modern facilities and comfort, with personal service and attention to detail in the classic European tradition. Its restaurants are already rated the finest in Dallas.

442 beautiful rooms, 39 suites, the spectacular Plaza Ballroom and the Plaza Terrace provide everything that could conceivably be required by guests, up to full banquets for 800 people.

There is a landscaped arena for ice skating; guests can dine, relax, play tennis, enjoy a sauna or the invigorating whirlpool, or while away the evening at the rooftop nightclub.

"Never before in Texas has extravagance been so well justified"

For reservations telephone 01-567 3444.



Business Diary: Golden lads and girls • Prestel and pulpit

There is money to be made in business consulting in Washington, especially if you are a graduate of the University of Pennsylvania. The average starting salary of 980 MBA graduates was 8 cent up on the previous at \$27,000 (about £12,000), some started at \$50,000.

The average starting pay paid by its female graduates \$26,000, or \$1,300 less than male average. The top sum paid to women was \$40,000 compared to \$50,000 for men.

The highest starting pay for bright MBAs was in management consulting, with an average rate of nearly \$40,000. The graduate entering into could look forward no more than \$21,253 on average.

The biggest money was in American North-east, although starting pay in New York at an average of \$27,813, less than Washington D.C. where it was \$32,375. All those consultants to the government are doing nicely, if the budget is to be critically, according to Ronald Gan.

I for one would be dry-eyed if pubs were to take down that notice which says: "We have an arrangement with the bank: they do not serve drinks and we do not cash cheques."

However, long before that day comes, we are likely to see another piece of publican's wisdom. This is likely to read: "We have an arrangement with the garage: they are serving drinks so we are putting in a petrol pump."

Far-out religious beliefs much in the news this week, I offer you two timely reflections: how long will it be before some Californian nuttier makes a religion (and a fortune) out of Prestel and how long before the Post Office learns from the Moonies and acquires charitable status?

These thoughts are prompted by the news from Durham University, where Canon M. S. Simmons of the theological department tells me that a pilot (or is it sky-pilot?) programme is under way to see how good the Post Office's Prestel television information service is at persuasion as well as at conveying the Word.

Ask Prestel about belief in God, for instance, and it can tell you to select the next "page", according to whether you agree or disagree that there is a rational basis for faith. If you say yes, it offers

Drinks Marketing, a new magazine, reports that the National Association of Licensed House Managers is backing a parliamentary campaign to stop garages turning to off-licence "drink sales" on petrol sales.

Jet has four such sites and Mobil six and, says Neil Marshall, of the Motor Agents Association, the number will increase unless petrol sales pick up.

You further thoughts designed to make you think more deeply; if you say no, it presents you with arguments why you are wrong.

A variation being considered is Prestel's use in counselling, it defines the problem by a series of choices and offers you advice.

In this case it would be Christian advice, as the three years' research is being paid for by the Society for Promoting Christian Knowledge. But there is nothing in the Post Office's present policy on editorial control of Prestel to stop all sorts of uplifters from adopting these techniques once perfected—and seen by the Post Office as profitable. Canon Simmons thinks that this could happen and says that he is glad that his church is getting in first.

Joe Gormley has something of a love affair with the island of Jersey, where this summer he chairs his last conference as President of the National Union of Mineworkers.

Readers of this month's Management Today will find his famous "battered cherub" grin taking up most of a full-page advertisement trumpeting the island's claims as a conference venue. In 1979, it recalls, Jersey welcomed the NUM conference, and obviously gave them something to smile about.

What the advertisement does not say is just what it was that made that made everybody smile, not to say gruffly. Miners can be up and down and such was the sense of political zeal in the depths of Cumbria about gallivanting off to the Channel Islands (tax haven, etc. etc.) that local pit leaders put down a motion for the last Jersey conference insisting that all future jamborees should be in the coalfields.

There were some fine speeches in support and Gormley, whose well-known taste for his good life seemed amply catered for at the luxury Hotel de France, was clearly afraid that future jamborees would have to take place in his native Lancashire or even (perish the thought) at the court of King Arthur in Barnsley.

So when the hands went up—and to observers it was plain there was a clear majority for



NUM's Joe Gormley.

The Cumberland proposition—he simply declared it lost. His ex-cathedra ruling brought gasps from the delegates and of rage from NUM officials, who were actually enjoying the full rich life.

The baying turned to laughter, and (not for the first time) Gormley's feel for the actual rather than the rhetorical paid off. It was confidently predicted that the "old fox" would take the conference back to Jersey for his last full year as president.

Incidentally, in accordance with the theory that straight-talking is the best (the "old fox" school of communication) his line is simple: "Jersey is a damn good conference centre," he says.

The Consumers' Association, publisher of Which? magazine, is to adopt a marketing technique much favoured by some of the hard-selling companies that the magazine has criticized in the past.

The move is to run a prize draw, with a first prize of £10,000, to attract new subscribers to its publications.

The decision reflects the fact that while the association has become a business with a turnover of nearly £12m, it is at a disadvantage compared with competitors by refusing "to accept any advertising."

Which? has had between 600,000 and 700,000 subscribers for about a decade. But Bruce McConnach, the association's marketing man, believes that the prize draw technique will achieve what he terms a "quantum leap"—a circulation increase of at least 100,000.

The scheme did not pass the organization's council without some vociferous opposition from a minority who insisted that a "value" for money-organization should not be playing with "something for nothing" gimmicks.

The surely apocryphal story doing the rounds at Westminster has a grocer saying to Mrs Thatcher: "I have this 'special' andy—55p for 6 'down'." "Eggs?" asks the Prime Minister. "No, raisins," replies the grocer.

Ross Davies

FINANCIAL NEWS

in gilts
yella cuts
rowings
£12m

The continuing trading of the board at Carriwell has concentrated strengthening the cash position and at the March United Kingdom term borrowings were about £12m below the time last year.

time rise at
ish Met Prop

The half-year to February 81, pretax profits of the based Scottish Metro Property Company rose by 29 per cent to £1.78m. An unchanged interim dividend of 1.78p gross is being on the issued capital of shares (compared with shares last year). The was enlarged by the issue last December on a five basis and conversion of loan capital. SMP's believes that with the increase in pretax it will be able to pay a dividend on the bigger at a rate which will the total for the year to less than the previous

Industrial sells
subsidiary

Industrial has sold its share in subsidiary to Endolite Company, the unlisted company owns Reliance Name-

sale involved a business total net assets of about £10m. The transaction, however, includes the two freehold sites at Eaton Bray and Hertford, and therefore relates to net working of some £320,000.

Standard Chartered
Limited expands
interests

Standard Chartered is making an offer for the Oxford Lime Company, the company of a privately group operating in v and Sussex in the and processing of and the production of ted lime and ready-mortar. The consideration will be satisfied by issue of 1,800 new Tilling ordinary

ley gets control
DN and European

Principles of its offer, plus purchased and already in London and European to 50.65 per cent of the capital.

der's order book
y recession

R. Cole, chairman of International, says its annual statement a broad terms the business sound and compatible. The deepening on is now seriously ing the company's order though it has many large cts in prospect.

NCC Energy takes stake
in Simplicity to 15.4 pc

By Rosemary Unsworth
Mr Graham Ferguson Lacey's NCC Energy is buying a further 10 per cent stake in Simplicity Pattern, the New York group.

This latest purchase brings NCC Energy's holding to 15.4 per cent. NCC is paying about \$16 a share for 1.36m shares for a total consideration of \$22m (£10.3m).

The group said it had no plans in the foreseeable future to increase its holding in Simplicity, although merger discussions between the two companies, announced last month when NCC bought its original 5.5 per cent holding, would be accelerated after the purchase.

However, Mr Ferguson Lacey, NCC's chairman and chief executive, added that the negotiations initiated by UNC Resources, a United States uranium extraction company, which may lead to a takeover bid for NCC, would be concluded by the end of the week.



Mr Graham Ferguson Lacey, chairman of NCC Energy.

when an announcement would be made.

NCC bought the latest Simplicity stake from its largest shareholder, Southwestern Public Service, a utilities group.

The deal is subject to shareholders' approval. Lacey, Mr. Ferguson Lacey, president of NCC's United States subsidiary, and Mr Alan Dodd, finance director, will be joining the Simplicity board.

Mr Ferguson Lacey will also join the Simplicity executive committee as chairman and Mr. Gittes will become a member. NCC has invited Mr H. Cooper, Simplicity's chairman, to join its board.

NCC's shares were suspended at the end of last month at 142p, which gives the group a market capitalisation of £40m. The suspension was requested after the first Simplicity announcement.

Simplicity, which Mr Ferguson Lacey called one of the world's largest pattern makers, is valued on the New York Stock Exchange at \$135m (about £61m). Pretax profits last year were \$18.5m.

Northstar Resources
to launch new fund

By Catherine Gunn

Another new Canadian drilling fund, Dorset Resources, is raising \$310m to \$320m (£3.9m to £7.8m) here and in Canada to go into oil and gas exploration in North America.

The shares will be quoted in Alberta and a Toronto listing has been applied for. In London, they will be traded under Rule 163 (1e). Units of one share and one warrant are on offer at \$51 each.

Three-quarters of the money raised will be invested over the next two years in the exploration and drilling programme of Northstar Resources, a Canadian company quoted on the Toronto Stock Exchange, whose directors have put Dor-

set Resources together. The remainder will be set aside to cover the 5 per cent management charge, due to Northstar, and for other projects.

Mr John Hagg, president of Northstar and acting chairman of Dorset Resources, said yesterday that he expected up to 40 per cent of the issue to be raised in Britain. Of the money put into Northstar's exploration programme, most would be spent in the United States.

Two fifths of Dorset's money will go into low risk drilling, mainly in Texas, and the rest into higher risk projects. Roughly 100 wells should be drilled in the next 18 months to two years.

DB critical of Bundesbank action

Deutsche Bank, West Germany's largest commercial bank, said yesterday that a 10 per cent improvement in operating earnings in the first few weeks of 1981 was cut off when Deutsche Bundesbank sharply raised interest rates on February 19.

Herr F. Wilhelm Christens, co-chairman, said the Bundesbank's actions came just as Deutsche Bank's margin on interest was "in sight" of a 3 per cent level after averaging 2.59 per cent in 1980, up from 2.47 per cent in 1979.

Despite interest margins below what it considers ideal, Deutsche Bank reported that it boosted 1980 pretax net earnings by 20.7 per cent to DM342.8m (£73m) from DM283.8m in 1979, enabling an increase in the dividend to DM10 from DM9.

He said, however, that "our ambition is to retain the DM10 dividend".

Union Miniere payout held

Union Miniere said its operating results fell last year because of a decline in metal sales from stocks, but its net profit available for distribution to shareholders was similar to 1979's because of higher returns on financial investments.

The company gave no profit figures, but announced an unchanged dividend of 500 Belgian francs (£6.50) for 1980. The group said copper prices fell last year in line with weaker demand, while zinc prices were also weak. Its

Thierry mine in Ontario, and its United States operations were both hit by poor metal prices.

In Brazil, however, group operations showed satisfactory results because of a high level of production and high prices for diamonds and gold.

On its financial investments, Union Miniere said it benefited from high interest rates on treasury bills and other credits.

For 1979, Union Miniere announced a net profit of 666m francs.

Australian deal by Amax

Amax, the big American natural resources company, is increasing its involvement in the Australian mining boom by raising its stake in Australian Consolidated Minerals to 39.2 per cent.

ACM, which has a gold prospect called Big Bell in Western Australia, is to issue about 10 per cent of its shares to Amax.

International

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Cheung Kong

Group net profits of Cheung Kong (Holdings) of Hong Kong rose to HK\$270.1m (£40.4m) in 1980 from HK\$254.1m in 1979.

Extraordinary profits of HK\$801.1m gave attributable profits of HK\$1,500m, against HK\$639.9m.

The group announced a three-for-one bonus issue and said it was raising the total dividend to 63 cents from 55.

Franc Eurobond

Bank of America announced in Paris a five-year Eurobond issue for 250m francs (£22.7m). The bonds, which will mature on April 30, 1986, have a coupon of 14 1/2 per cent payable annually.

Saab outlook

Saab-Scania, the Swedish motor vehicles group, expects 1981 group profits before appropriations and taxes to be little changed from 1980 levels.

In 1980 group profit before appropriations and taxes was Kr345m (£93.5m) on sales of Kr13,990m.

Yorks and
Lancs in
£679,000
cash call

By Catherine Gunn

Yorkshire and Lancashire Investment Trust is to raise £679,000 net of expenses through a one-for-two rights issue at 36p a share.

The rights issue was triggered by a £2.1m cash call from private exploration vehicle Rocky Mountains Oil and Gas, in which the trust has a 6.25 per cent stake. Two Yorkshire and Lancashire directors — Sir Trevor Dawson, who is chairman, and Mr Michael Barrett — are on the Rocky Mountains board.

Mr Barrett said yesterday that the decision to mount a rights issue in order to take up the trust's share of the Rocky Mountains one-for-one issue, at £1.75 a share.

A further £50,000 will be set aside to apply for extra shares in Rocky Mountains under its preferred offer to share holders within the terms of its rights issue. The rest will be used to eradicate the trust's bank borrowings of around £32,000 and for investment in high yielding securities, mainly in Britain.

Rocky Mountains is the trust's main energy investment and will account for roughly 13 per cent of its £2.2m portfolio after the issues. Both rights issue are being underwritten by the investment bank Arbuthnot Latham.

Rocky Mountains own cash call is in order to take up a 25 per cent interest in 657,000 more acres in the United States, and other interests in another 400,000 acres, to be assembled in a partnership with British company Premier Consolidated.

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Rocky Mountains own cash call is in order to take up a 25 per cent interest in 657,000 more acres in the United States, and other interests in another 400,000 acres, to be assembled in a partnership with British company Premier Consolidated.

Mr Barrett said yesterday that the decision to mount a rights issue in order to take up the trust's share of the Rocky Mountains one-for-one issue, at £1.75 a share.

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Investment earnings
lift full-year profits
at Ash & Lacy

By Margaret Pagan

Ash & Lacy, the West Midlands steel products maker, has bucked the trend with higher pretax profits and a dividend increase for the year to January.

Profits rose to £2.64m from £2.58m on sales of £27.96m, against £2.67m. The final dividend is lifted to 2.2p gross, making a total for the year of 17.8p gross. This compares with 16.42p last year. The shares gained 9p to 236p on the news.



Mr John Vernon, chairman of Ash & Lacy.

Exports
slow fall at
Dreamland

By Michael Clark

A drive into the export market has gone some way towards cushioning Dreamland Electrical Appliances from the full effects of the United Kingdom recession.

Full-year figures of the electrical appliances group show pretax profits £659,000 lower at £840,000 for 1980 on turnover up from £10.6m to a record £11.24m. Earnings per share have been improved from 3.87p to 6.83p and the dividend is unchanged at 1.71p gross.

In order to correct the drop in United Kingdom sales, the group has tried to expand on its overseas operations which last year accounted for £1.8m of total sales, an increase of 47 per cent over the previous year.

The sales drive into Belgium and South Africa went better than expected and in addition to increasing its share of the Dutch market its contract with Philips has also paid dividends.

However, Mr Frederick Williams, chairman, admits that the surge in exports has accompanied a fall in volume and increased pressure on margins.

Back at home the recession has seen sharp destocking by retailers and this has left sales hard pressed to match last year's levels.

Other problems encountered included a bad fire at the group's research laboratories, and a loss on its Alarum subsidiary amounting to some £100,000.

In addition, the recession has meant a three-day week for the workforce since early January, and more than doubled borrowings of £3.4m.

Looking to the current year, Mr Williams admits that it would be foolish to say that the worst is over, but he is confident that an acceleration in restocking by retailers is on the cards. The shares improved 1p to 26p.

Bank Base
Rates

ABN Bank	12%
Barclays	12%
BCCI	12%
Consolidated Crdts	12%
C. Hoare & Co	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
TSS	12%
Williams & Glyn's	12%

* 7 day deposit on sums of £10,000 and under. 9% over £10,000. 10% over £50,000. 10.5% over £100,000.

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on all
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that matter



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1980 High	1980 Low	Company	Price	Chg	Gross Div	Yld	P:E
75	39	Airspang Group	72x	+1	6.7	9.3	6.5
50	21	Armitage & Rhodes	49	—	1.4	2.9	20.2
192	52	Bardon Hill	190	—	9.7	5.1	7.1
98	88	Deborah Services	97	-1	5.5	3.7	4.8
126	88	Frank Horsell	104	—	6.4	6.2	3.3
110	39	Frederick Parker	51	+1	1.7	3.3	22.2
110	69	George Blair	69	-1	3.1	5.5	—
110	59	Jackson Group	107	—	6.9	6.4	4.0
124	103	James Burrough	119	+1	7.9	6.6	9.8
334	244	Robert Jenkins	320	—	31.3	9.8	—
55	50	Scruttons "A"	51	—	5.3	10.4	2.7
224	210	Torday Limited	210	—	15.1	7.2	3.6
23	8	Twinkl Ord	10	—	—	—	—
90	69	Twinkl 15% ULS	72	—	15.0	20.8	—
55	35	Unilock Holdings	45	—	3.0	6.6	6.9
103	81	Walter Alexander	101	+1	5.7	5.6	5.6
263	181	W. S. Yeates	259	+1	13.1	5.1	4.9

Notice
of Meeting

Notice is hereby given that the 140th Annual General Meeting of United Kingdom Temperance and General Provident Institution will be held at the Guildhall, Salisbury, Wiltshire, on Wednesday, 3rd June, 1981, at 12 noon, for the following purposes:

- To consider the documents comprised within the Report and Accounts for the year ended 31st December, 1980.
- To re-elect the following directors who retire by rotation in accordance with Rule 8.01:
Mr S. A. R. Gray
Mr J. G. Curtis
Mr A. G. Miller
- To re-appoint Messrs Deloitte Haskins & Sells as the auditors to the institution and to authorise the directors to fix their remuneration.

By Order of the Board
SV Finn
Deputy General Manager (Property) and Secretary
25th March, 1981

Dolphin House
New Street Salisbury SP1 2QQ
Salisbury (0722) 6242

Allen Harvey & Ross Limited

Bankers and Bill Brokers

Mr A. J. Buchanan, Chairman,
reports on the year ended 5th February 1981

- ★ Against a difficult background, your Board is satisfied with the profit figure of £709,150.
- ★ We have decided to increase our final dividend to 13%, making 23% for the year, as against 21.5% for last year.
- ★ We are very pleased with the progress made by our investment management team.
- ★ Our partnership with Ehrlich-Bober & Co. Inc. of New York has been profitable and successful.

	Year to 5th February 1981	Year to 5th February 1980
Consolidated net assets	£6,014,952	£5,923,329
Balance Sheet Totals	247,822,999	246,123,152
Profit	709,150	653,216
Cost of all dividends	621,289	581,316

45 GURTHILL, LONDON EC3R 8EB
TELEPHONE 01-624 4731

Crème Crème

—Managerial—Administrative—Secretarial—Personal Assistants—

Elizabeth Hunt

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 I am a P.A./Secretary in a Partner of this very prestigious of Estate Agents. He has particular responsibility for Research Department. He will delegate both business and personal work to a socially confident, well-grounded person, should have good audio ability and a knowledge of shorthand would be a great asset. Pleasant modern offices, plus salary review.

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I also receive our news on "working London using your own car" and details of any further courses which are being held in London in good shape. And finally we won't waste your time with a job in the interview—fast rise in application form, return it to us and from then on you will be in the running for the current jobs and considered for new jobs we receive.

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 Mrs. Edithson on 01-589 6363

for more details

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Victoria

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Salary negotiable. 50p per day LVs, four weeks' holiday and season ticket loan. Hours 9.30 am-5.30 pm. Please send brief details of age, qualifications, experience and salary required to: Personnel Manager, Messrs. Sandberg, 40 Grosvenor Gardens, London SW1W 0LB or telephone 01-730 8217 Ext. 235 for application form. (No Agencies).

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on page 26

